

**CITY OF NATCHITOCHEs,
CITY MARSHAL
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2021

City of Natchitoches, City Marshal
December 31, 2021

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City of Natchitoches, City Marshal
December 31, 2021

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CITY OF NATCHITOCHEs, CITY MARSHAL

P. O. Box 303
Natchitoches, LA 71458-0303

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Natchitoches, City Marshal's (hereafter referred to as the City Marshal) annual financial report presents an overview and analysis of the City Marshal's financial activities for the year ended December 31, 2021. The intent of the MD&A is to look at the City Marshal's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the City Marshal's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City Marshal as a whole and presents a longer-term view of the City Marshal's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the City Marshal's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the City Marshal's net position may serve as a useful indicator of whether the financial position of the City Marshal is improving or deteriorating.
- The Statement of Activities presents information showing how the City Marshal's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the City Marshal are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City Marshal uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City Marshal conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the City Marshal's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the City Marshal. The City Marshal also maintains two Fiduciary Funds. As Fiduciary Funds are simply held for other parties and cannot be used for any of the City Marshal's activities, it is not included in the government-wide statement, but is separately reported in the statements of the Fiduciary Funds.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2021</u>	<u>2020</u>
ASSETS:		
Current Assets	\$ 52,784	\$ 64,052
Capital Assets, Net of Accumulated Depreciation	<u>26,202</u>	<u>33,467</u>
Total Assets	<u>\$ 78,986</u>	<u>\$ 97,519</u>
LIABILITIES:		
Accounts Payable	\$ 33,746	\$ 42,650
Due to Other Funds	<u>105,354</u>	<u>87,788</u>
Total Liabilities	<u>\$139,100</u>	<u>\$130,438</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 26,202	\$ 33,467
Unrestricted	<u>(86,316)</u>	<u>(66,386)</u>
Total Net Position	<u>\$ (60,114)</u>	<u>\$ (32,919)</u>

Summary of Statement of Activities

	<u>2021</u>	<u>2020</u>
REVENUES:		
Charges for Services	\$304,191	\$241,329
On Behalf Payments-City of Natchitoches	206,450	209,119
Miscellaneous	<u>18,362</u>	<u>33,742</u>
Total Revenues	<u>\$529,003</u>	<u>\$484,190</u>
EXPENSES:		
Operating Expenses	\$349,748	\$275,831
On Behalf Payments-City of Natchitoches	<u>206,450</u>	<u>209,119</u>
Total Expenses	<u>\$556,198</u>	<u>\$484,950</u>
Change in Net Position	<u>\$ (27,195)</u>	<u>\$ (760)</u>

- The City Marshal's liabilities exceeded its assets by \$60,114. This is an increase of \$27,195 from prior year.
- Unrestricted net position, the amount available for obligations to both citizens and creditors, decreased \$19,930 from the prior year.

General Fund Budgetary Highlights

Actual revenues were \$152,197 less than budgeted revenues and actual expenditures were \$132,267 less than budgeted expenditures.

Economic Factors and Next Year's Budget

The City Marshal considered many factors when setting the budget for 2022. Revenues are expected to increase due to a service fee increase according to R.S. 13:5807 and expenses are not expected to differ significantly from 2021.

Contacting the City Marshal

This financial report is designed to provide our citizens and creditors with a general overview of the City Marshal's finances and to show the City Marshal's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to City of Natchitoches, City Marshal, P. O. Box 303, Natchitoches, LA 71458-0303.

T | C | B | T
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INDEPENDENT AUDITOR’S REPORT

Randy Williams, City Marshal
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P. O. Box 303
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Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, major fund, and the fiduciary funds of the City Marshal of the City of Natchitoches (City Marshal), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City Marshal’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the fiduciary funds of the City Marshal as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Marshal and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City Marshal’s ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Marshal's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Marshal's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule on pages 1 through 4 and 28 through 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Marshal's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the 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 June 29, 2022, on our consideration of the City Marshal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Marshal's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City 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 June 29, 2022, 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 state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 29, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

City of Natchitoches, City Marshal
Statement of Net Position
December 31, 2021

	Governmental <u>Activities</u>
ASSETS:	
Cash & Cash Equivalents	\$ 11,733
Revenue Receivable	37,926
Prepaid Expense	<u>3,125</u>
Total Current Assets	\$ 52,784
Non-current Assets-	
Capital Assets (Net)	<u>26,202</u>
Total Assets	\$ <u>78,986</u>
LIABILITIES:	
Accounts Payable	\$ 33,746
Due to Other Funds	<u>105,354</u>
Total Liabilities	\$ <u>139,100</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 26,202
Unrestricted	<u>(86,316)</u>
Total Net Position	\$ <u>(60,114)</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, City Marshal
Statement of Activities
December 31, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities-				
Public Safety-				
Personnel Services	\$206,450	\$ 0	\$0	\$(206,450)
External Appropriations	255,432	304,191	0	48,759
Operating Expenses	48,060	0	0	(48,060)
Materials & Supplies	40,072	0	0	(40,072)
Travel & Other Charges	<u>6,184</u>	<u>0</u>	<u>0</u>	<u>(6,184)</u>
Total Governmental Activities	<u>\$556,198</u>	<u>\$304,191</u>	<u>\$0</u>	<u>\$(252,007)</u>
		General Revenues		
				\$ 206,450
				<u>18,362</u>
			Total General Revenues	<u>\$ 224,812</u>
			Change in Net Position	\$ (27,195)
			Net Position January 1, 2021	<u>(32,919)</u>
			Net Position December 31, 2021	<u>\$(60,114)</u>

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

City of Natchitoches, City Marshal
Balance Sheet-Governmental Fund
December 31, 2021

Assets:

Cash & Cash Equivalents	\$ 11,733
Revenue Receivable	37,926
Prepaid Expense	<u>3,125</u>
Total Assets	\$ <u>52,784</u>

Liabilities:

Accounts Payable	\$ 33,746
Due to Other Fund	<u>105,354</u>
Total Liabilities	\$ <u>139,100</u>

Fund Balance:

Nonspendable	
Prepaid Expense	\$ 3,125
Unassigned	<u>(89,441)</u>
Total Fund Balance	\$ <u>(86,316)</u>
Total Liabilities and Fund Balance	\$ <u>52,784</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, City Marshal
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
December 31, 2021

Total Governmental Fund Balance \$ (86,316)

Amounts reported for Governmental Activities
in the Statement of Net Position is different because:

Non current assets used in Governmental Activities
are not financial resources. Therefore, they are not
reported in the Governmental Fund Balance Sheet:

Equipment and Vehicles	129,987
Less: Accumulated Depreciation	<u>(103,785)</u>

Total Net Position of Governmental Activities at December 31, 2021 \$ (60,114)

City of Natchitoches, City Marshal
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2021

REVENUES:	
Charges for Services	\$304,191
On Behalf Payments-City of Natchitoches	206,450
Interest & Miscellaneous	<u>18,362</u>
Total Revenues	<u>\$529,003</u>
EXPENDITURES:	
Current-	
Public Safety-	
Personnel Services & Related Benefits	\$206,450
External Appropriations	255,432
Operating Expenses	39,072
Materials & Supplies	40,072
Travel & Other Charges	6,184
Capital Expenditures	<u>1,723</u>
Total Expenditures	<u>\$548,933</u>
Deficiency of Revenues over Expenditures	\$ (19,930)
Fund Balance-Beginning of Year	<u>(66,386)</u>
Fund Balance-End of Year	<u>\$ (86,316)</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, City Marshal
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2021

Net Change in Fund Balance-Total Governmental Fund \$(19,930)

Amounts reported for Governmental Activities in the Statement of Activities are different because Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The current year amounts for these items were:

Capital Asset Additions	1,723
Depreciation Expense	<u>(8,988)</u>

Change in Net Position per Statement of Activities \$(27,195)

City of Natchitoches, City Marshal
Statement of Fiduciary Net Position
Agency Funds
December 31, 2021

Assets:	<u>Civil Account</u>	<u>Delayed Fines</u>	<u>Total</u>
Cash	\$22,190	\$ 36,265	\$ 58,455
Due From Other Funds	<u>2,939</u>	<u>102,415</u>	<u>105,354</u>
Total Assets	<u>\$25,129</u>	<u>\$138,680</u>	<u>\$163,809</u>
Liabilities:			
Unsettled Deposits	<u>\$25,129</u>	<u>\$138,680</u>	<u>\$163,809</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, City Marshal
Statement of Changes in Fiduciary Net Position
Agency Funds
December 31, 2021

	<u>Civil Account</u>	<u>Delayed Fines</u>	<u>Total</u>
ADDITIONS:			
Suit Income	\$234,625	\$132,523	\$367,148
Interest	<u>0</u>	<u>47</u>	<u>47</u>
Total Additions	\$234,625	\$132,570	\$367,195
DEDUCTIONS:			
Disbursements	<u>237,411</u>	<u>123,358</u>	<u>360,769</u>
Change in Liabilities	\$ (2,786)	\$ 9,212	\$ 6,426
Liabilities-Beginning	<u>27,915</u>	<u>129,468</u>	<u>157,383</u>
Liabilities-Ending	\$ <u>25,129</u>	\$ <u>138,680</u>	\$ <u>163,809</u>

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

1. Introduction:

As provided by Louisiana Statutes, the City Marshal is the executive officer of the City Court. The City Marshal shall execute the orders and mandates of the Court system of the City of Natchitoches, Louisiana. The City Marshal is elected to a term of six years.

2. Summary of Significant Accounting Policies:

The accompanying component unit financial statements of the City of Natchitoches, City Marshal, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity-

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Natchitoches for financial reporting purposes. The basic criteria 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 city 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 city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of item 2 above, the City of Natchitoches, City Marshal, was determined to be a component unit of the City of Natchitoches, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the City Marshal and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City Marshal's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for 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 are presented as general revenues.

C. Fund Accounting-

The accounts of the City Marshal are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City Marshal maintains three funds. They are categorized as a governmental fund and two fiduciary funds. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The funds of the City Marshal are described below:

Governmental Fund-

General Fund

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

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

Fiduciary Fund-

Fiduciary Funds are used to account for assets held by the City Marshal in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the City Marshal, these funds are not incorporated into the government-wide statements.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the City Marshal's office as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Marshal considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and cash equivalents include all interest-bearing deposits, demand accounts and savings accounts of the City Marshal.

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Marshal maintains a threshold level of \$500 or more for capitalizing capital assets.

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

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

Furniture, computers	5 years
Radios	10 years
Vehicles	5 years

Compensated Absences-

Employees of the City Marshal are paid by the City of Natchitoches, including any leave payments, therefore there are no entries made to record compensated absences in the funds of the City Marshal.

Equity Classifications-

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

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

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned deficit fund balance of \$89,411. If applicable, the City Marshal would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budgetary Practices-

Prior to the beginning of each fiscal year, the City Marshal adopts a budget for the next fiscal year. The budget is open for public inspection and all budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

The City Marshal's office performs only a custodial function in the case of fiduciary funds and therefore a budget for these funds is not appropriate.

G. Estimates-

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

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

3. Cash and Cash Equivalents:

The cash and cash equivalents of the City of Natchitoches, City Marshal are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City Marshal's office will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Marshal that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City Marshal's name.

Bank account balances at December 31, 2021, totaled \$111,445 and were fully secured by FDIC Insurance.

4. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2021, is as follows:

Governmental Activities	Balance 01-01-21	Additions	Deletions	Balance 12-31-21
Capital Assets:				
Furniture, computers	\$ 16,081	\$ 1,723	\$0	\$ 17,804
Radios	12,693	0	0	12,693
Vehicles	97,690	0	0	97,690
Building	<u>1,800</u>	<u>0</u>	<u>0</u>	<u>1,800</u>
Total Assets	<u>\$128,264</u>	<u>\$ 1,723</u>	<u>\$0</u>	<u>\$129,987</u>
Less Accumulated Depreciation:				
Furniture, computers	\$ 15,422	\$ 251	\$0	\$ 15,673
Radios	4,362	1,384	0	5,746
Vehicles	73,642	7,096	0	80,738
Buildings	<u>1,371</u>	<u>257</u>	<u>0</u>	<u>1,628</u>
Total Depreciation	<u>\$ 94,797</u>	<u>\$ 8,988</u>	<u>\$0</u>	<u>\$103,785</u>
Net Capital Assets	<u>\$ 33,467</u>	<u>\$(7,265)</u>	<u>\$0</u>	<u>\$ 26,202</u>

Depreciation expense of \$8,988 was charged to the public safety function.

City of Natchitoches, City Marshal
Notes to Financial Statements
December 31, 2021

5. On-Behalf Payments:

Employees of the City Marshal's office receive salaries and fringe benefits from the City of Natchitoches, including supplemental pay from the State of Louisiana. Fringe benefits paid by the City include the required contributions to the Louisiana Municipal Employees Retirement System.

Salaries	\$144,536
Fringe Benefits	<u>61,914</u>
Total	<u>\$206,450</u>

In accordance with GASB Statement No. 24, the City Marshal's office has recorded revenues and expenditures for these receipts and payments.

6. Litigation:

The City Marshal is not a party in any litigation seeking damages for the year ended December 31, 2021.

7. Subsequent Events:

Management has evaluated events through June 29, 2022, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

City of Natchitoches, City Marshal
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	<u>Budget</u>		Variance
	<u>Original/Final</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES:			
Charges for Services	\$325,000	\$304,191	\$ (20,809)
On Behalf Payments-City of Natchitoches	356,200	206,450	(149,750)
Miscellaneous			
Interest & Miscellaneous	<u>0</u>	<u>18,362</u>	<u>18,362</u>
Total Revenues	<u>\$681,200</u>	<u>\$529,003</u>	<u>\$(152,197)</u>
EXPENDITURES:			
Current-			
Public Safety-			
Personnel Services & Related Benefits	\$198,000	\$206,450	\$ (8,450)
External Appropriations	356,000	255,432	100,568
Operating Expenses	30,200	39,072	(8,872)
Materials & Supplies	38,000	40,072	(2,072)
Travel & Other Charges	47,000	6,184	40,816
Capital Expenditures	<u>12,000</u>	<u>1,723</u>	<u>10,277</u>
Total Expenditures	<u>\$681,200</u>	<u>\$548,933</u>	<u>\$ 132,267</u>
Deficiency of Revenues over Expenditures	\$ 0	\$ (19,930)	\$ (19,930)
Fund Balance-Beginning of Year	<u>(66,386)</u>	<u>(66,386)</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ (66,386)</u>	<u>\$ (86,316)</u>	<u>\$ (19,930)</u>

See independent auditors' report and notes to financial statements.

City of Natchitoches, City Marshal
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2021

Agency Head Name: Randy Williams, Marshal

<u>Purpose</u>	<u>Amount Paid by City of Natchitoches</u>
Salary	\$55,082
Benefits-Insurance	249
Benefits-Retirement	17,870
Benefits-Payroll Taxes	853
Benefits-Other	2,510
Reimbursements	2,655

See independent auditor's report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information			
Entity Name	Natchitoches City Marshal		
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	9273.00		
Date that reporting period ended (mm/dd/yyyy)	Friday, December 31, 2021		
	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21	
Cash Basis Presentation			
Beginning Balance of Amounts Collected (i.e. cash on hand)	24,976	19,892	
Add: Collections			
Civil Fees (including refundable amounts such as garnishments or advance deposits)	129,671	108,818	
Bond Fees	9,800	14,500	
Asset Forfeiture/Sale	-	-	
Pre-Trial Diversion Program Fees	-	-	
Criminal Court Costs/Fees	122,770	152,278	
Criminal Fines - Contempt	15,468	15,938	
Criminal Fines - Other	-	-	
Restitution	-	-	
Probation/Parole/Supervision Fees	-	-	
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-	
Interest Earnings on Collected Balances	-	-	
Other (do not include collections that fit into more specific categories above)	-	-	
Subtotal Collections	277,709	291,534	
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)			
Natchitoches Parish Clerk of Court-Civil Fees	9,166	12,346	
City of Natchitoches-Criminal Fines-Other	15,468	15,938	
Natchitoches City Court -Criminal Court Costs/Fees	42,169	66,105	
Tenth Judicial District Attorney - Criminal Court Costs/Fees	12,200	10,680	
Tenth Judicial Indigent Defender - Criminal Court Costs/Fees	27,255	23,873	
Natchitoches Parish Clerk of Court - Criminal Court Costs/Fees	1,069	930	
Louisiana Commission on Law Enforcement- Criminal Court Costs/Fees	1,715	1,789	
Juvenile Detention Center - Ware Youth- Criminal Court Costs/Fees	4,523	3,960	
North Louisiana Crime Lab - Criminal Court Costs/Fees	23,240	23,210	
Corrections Management Information Systems-LA State Treasurer - Criminal Court Costs/Fees	1,827	1,911	
Louisiana Supreme Court-Criminal Court Costs/Fines	260	212	
Natchitoches City Court-Building Fund-Criminal Court Costs/Fees	5,220	5,120	
Louisiana Department of Health & Hospitals (THSCI)-Criminal Court Costs/Fees	365	265	
Louisiana State Police-Criminal Court Costs/Fees	50	25	
Natchitoches Parish Government-Criminal Court Costs/Fees	850	1,100	
Less: Amounts Retained by Collecting Agency			
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection			
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount			
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)	-	-	
Civil Fees	7,814	10,217	
Bond Fees	9,800	14,500	
Criminal Court Costs/Fees	2,027	13,098	
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies			
Civil Fee Refunds	20,340	13,212	
Bond Fee Refunds	-	-	
Restitution Payments to Individuals (additional detail is not required)	-	-	
Other Disbursements to Individuals (additional detail is not required)	-	-	
Payments to 3rd Party Collection/Processing Agencies	97,435	70,745	
Subtotal Disbursements/Retainage	282,793	289,236	
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	19,892	22,190	
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained	-	-	
Other Information:			
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-	
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-	

See independent auditor's report.

OTHER REPORTS/SCHEDULES

T | C | B | T
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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*

Randy Williams, City Marshal
City of Natchitoches
P. O. Box 303
Natchitoches, LA 71458-0303

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund, the fiduciary funds as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Natchitoches, City Marshal's (City Marshal) basic financial statements and have issued our report thereon dated June 29, 2021.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Marshal's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Marshal's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit results as item 2021-001.

City Marshal's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City Marshal's response to the findings identified in our audit and described in the accompanying schedule of audit findings. The 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 the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

June 29, 2022

City of Natchitoches, City Marshal
Schedule of Audit Findings
Year Ended December 31, 2021

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit findings:

1. An unmodified opinion was issued on the financial statements of the City of Natchitoches, City Marshal as of and for the year ended December 31, 2021.
2. The audit did not disclose any material weaknesses in internal control.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Noncompliance-

2021-001 *Local Government Budget Act*

Criteria - Revised Statutes 39:1301-1315, direct local governments as to the manner in which the annual budget shall be adopted, implemented, and amended. This included the requirements to revise the budget when total revenues and other uses are failing to meet the total budgeted revenues and other uses by five percent or more.

Condition - For the year ended December 31, 2021, the City Marshal did not follow the requirements of the Local Government Budget Act in that proper amendments were not made to ensure the five percent variance for revenues was met.

Cause - The City Marshal anticipated more charges for services income.

Effect - The City Marshal is not in compliance with the Local Government Budget Act.

Recommendation - The City Marshal should comply with all provisions of the Local Budget Act by monitoring revenues throughout the year that may have an effect on the budget.

Management's Response - The City Marshal fully intends to comply with the provisions of the Local Government Budget Act.

III. PRIOR YEAR AUDIT FINDINGS

Internal Control-

2020-001 *Local Government Budget Act*

Condition - For the year ended December 31, 2020, the City Marshal did not follow the requirements of the Local Government Budget Act in that proper amendments were not made to ensure the five percent variance for revenues were met.

Status - As of December 31, 2021 this condition still exists. See current year finding 2021-001.

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**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the City of Natchitoches, City Marshal and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The City of Natchitoches, City Marshal’s (City Marshal) management is responsible for those C/C areas identified in the SAUPs.

The City Marshal has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***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.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***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.)

- **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedule.
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **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).
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
 - a) Procedure Results - We noted four exceptions. (1) There are no written policies for Contracting, Credit Cards or Disaster Recovery/Business Continuity; (2) The Purchasing Policy does not address how vendors are added to vendor lists and required documentation for bids and price quotes, (3) The Ethics policy does not address prohibitions as defined in LA R.S. 42:1111-1121, actions to be taken if violation takes place, and systems to monitor ethic violations; (4) The Sexual Harassment policy does not address agency responsibilities and prohibitions and annual reporting.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed 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.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

- Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.
- a) Procedure Results – Not applicable due to the Marshal does not have a Board or Finance Committee.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
- Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - 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
 - 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.
- a) Procedure Results – We noted one exception. Management does not have documentation reflecting that it has researched reconciling items that have been outstanding more than 12 months from statement closing date.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
- Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.

- The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.
 7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.
 - a) Procedure Results – We noted no exceptions.

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

8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:

- We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.
- We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
 - a) Procedure Results – We noted one exception. Disbursement documentation does not include evidence of segregation of duties.

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

11. We obtained 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. We obtained management's representation that the listing is complete.

12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:

- We observed 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 (or electronically approved), by someone other than the authorized card holder.
- We observed that finance charges and late fees were not assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

- a) Procedure Results – We noted no exceptions.

Travel and Expense Reimbursement

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

- If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

- If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - a) Procedure Results – Not applicable due to no travel or expense reimbursements made in current year.

Contracts

15. We obtained 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. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:
- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.
- a) Procedure Results – We noted no exceptions.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:
- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.
18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.
- a) Procedure Results – Not applicable due to all employees are paid by City of Natchitoches.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- a) Procedure Results – We noted no exceptions.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
- a) Procedure Results – Not applicable due to the Marshal has not incurred any debt.

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the City Marshal attorney of the parish in which the entity is domiciled.

24. We observed whether 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.

a) Procedure Results – We noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures:

- We obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
- We obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- We obtained a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

a) Procedure Results – We performed the procedures and discussed the results with management.

Sexual Harassment

26. We randomly selected the employees/officials from procedure #16 under “Payroll and Personnel” above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. We observed that the entity has posted its sexual harassment policy and complaint procedures on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

28. We obtained the entity’s annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed that it includes the applicable requirements of R.S. 42:344:

- Number and percentage of public servants in the agency who have completed the training requirements;
- Number of sexual harassment complaints received by the agency;
- Number of complaints which resulted in a finding that sexual harassment occurred;
- Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- Amount of time it took to resolve each complaint.

a) Procedure Results – We noted no exceptions.

We were engaged by the City Marshal to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City Marshal and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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Natchitoches, Louisiana

June 29, 2022

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1: Exception - (1) The Marshal does not have written policies and procedures for Contracting, Credit Cards or Disaster Recovery/Business Continuity; also the written policies and procedures do not address (2) how vendors are added to vendor lists and required documentation for bids and price quotes; (3) prohibitions as defined in LA R.S. 42:1111-1121, actions to be taken if violation takes place, and systems to monitor ethic violations; (4) agency responsibilities, prohibitions and annual reporting under sexual harassment.

Response - We will establish written policies and procedures to address the items above.

Item 3: Exception - Management has no documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months.

Response - We will review the outstanding reconciling items present and void, reissue, or remit to LA State Treasurer as necessary.

Item 10: Exception - Management does not include evidence of segregation of duties on disbursement documentation.

Response - Management will review and sign off on all disbursement documentation to provide evidence of segregation of duties.