

# CITY MARSHAL OF SLIDELL

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017



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**Report**



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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

Honorable Kevin Foltz, Marshal  
City Marshal of Slidell  
Slidell, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Slidell (the Marshal) as of and for the year ended December 31, 2017, which collectively comprise the Marshal's financial statements as listed in the table of contents and the related notes to financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountants' Responsibility**

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

### **Accountants' Conclusion**

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 3 through 5 and page 23, respectively, be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

### **Supplementary Information**

The accompanying schedule of compensation, benefits, and other payments to agency head on page 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

### **Other Supplementary Information**

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, we have issued a report dated June 28, 2018 on the results of our agreed-upon procedures for compliance with laws and regulations.

*Carly Riggs & Ingram, L.L.C.*

June 28, 2018



**Required Supplementary  
Information (Part I)**

## CITY MARSHAL OF SLIDELL MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its codification. Its purpose is to provide an overview of the financial activities of the City Marshal of Slidell's (the Marshal's) office based on currently known facts and decisions of conditions. Please read it in conjunction with the Marshal's financial statements, which begin on page 6.

The basic financial statements include government-wide and general fund financial statements. The government-wide Statement of Net Position and Statement of Activities present information for all of the activities of the Marshal's office, from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office, the difference between these statements and the general fund financial statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the general fund financial statements and compensated absences payable earned by employees during the year are expensed in the government wide financial statements. The Balance Sheet – General Fund details the assets and liabilities of the general fund while the Reconciliation of the Balance Sheet – General Fund to the Statement of Net Position reflects the differences from the amounts reported in the Statement of Net Position. The Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund reflects the current year receipt and disbursement of funds, and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund to the Statement of Activities reflects the differences in the changes in fund balance to the changes in net position of the government activities. The differences between the adopted budget and the actual activities are reflected in the Budgetary Comparison Schedule – General Fund.

The Marshal is an independent elected official. However, since the Marshal's office is dependent on the City of Slidell to provide office space, a courtroom and related utility costs, as well as reimbursements of a portion of its salaries expenditures, the Marshal is determined to be a component unit of the City of Slidell. The accompanying financial statements only present information for the funds maintained by the Marshal.

### **STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES**

Our analysis of the fund maintained by the Marshal as a whole begins on page 6. The Statement of Net Position and Statement of Activities report information about the fund maintained by the Marshal as a whole and about its activities in a way which helps answer one of the most important questions asked about the Marshal's finances, "Is the Marshal, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash was received or paid.

## CITY MARSHAL OF SLIDELL MANAGEMENT'S DISCUSSION AND ANALYSIS

These two statements report the Marshal's net position and the changes in net position. Net position, the difference between the assets and deferred outflows and the liabilities and deferred inflows, is one way to measure the Marshal's financial health and, over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

The fund maintained by the Marshal is recorded as governmental activities in the Statement of Net Position and Statement of Activities.

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of salaries and benefits, fees paid, office expenses, contract services, memberships and educational conferences. Court costs and fees and contributions from the City of Slidell finance most of the activities of the Marshal.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. The Marshal's total net position increased from \$85,377 in 2016 to \$137,905 in 2017 partially due to the increase of payments from the City Court of Slidell.

The Marshal's office at December 31, 2017 and 2016 had \$126,952 and \$60,389, respectively, in cash on hand. At December 31, 2017 and 2016, the Marshal had net capital assets of \$987 and \$1,525, respectively, with total assets being \$154,265 and \$101,446, respectively. At December 31, 2017 and 2016, the Marshal had no long term debt and had current liabilities of \$16,360 and \$16,069, respectively.

Total revenue for the Marshal's office increased from \$373,017 in 2016 to \$442,524 in 2017 due to the increase of payments from the City Court of Slidell.

Expenditures, excluding depreciation expense of \$2,179 in 2016 and \$538 in 2017, increased from \$353,473 in 2016 to \$371,478 in 2017 due to an increase in payroll expense.

### **FUND FINANCIAL STATEMENTS**

The focus of the fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending. The general fund reported a combined ending fund balance of \$145,799.

## CITY MARSHAL OF SLIDELL MANAGEMENT'S DISCUSSION AND ANALYSIS

### **FIDUCIARY FUND**

The fiduciary fund reporting focuses on net assets and changes in net assets. The only fund accounted for in this category is the agency fund. The agency fund accounts for assets held by the Marshal as an agent for litigants help in pending court action. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. Consequently, the agency fund has no measurement focus, but uses the modified accrual basis of accounting. Assets decreased from \$4,927 in 2016 to \$3,977 in 2017 due to additional payments made.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Marshal considered many factors when setting the operating budget for the year ending December 31, 2018. The Marshal anticipates a decline in revenues to \$424,000, while anticipated expenditures are expected to be approximately \$403,619. The Marshal expects to make continued cuts across all expenditure classes and seek additional funding sources from the City of Slidell and the City Court of Slidell.

### **CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by the Marshal and to show the accountability for the money it receives. If you have any questions or need additional information, contact the Marshal's office at P.O. Box 2356, Slidell, Louisiana 70459.



# Financial Statements

**CITY MARSHAL OF SLIDELL  
STATEMENT OF NET POSITION**

<i>As of December 31,</i>	<b>2017</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 126,952
Due from other governmental agencies	21,081
Accounts receivable	1,268
Due from agency fund	3,977
Capital assets, net	987
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<b>TOTAL ASSETS</b>	<b>154,265</b>
<hr/>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	7,479
Compensated absences payable	8,881
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<b>TOTAL LIABILITIES</b>	<b>16,360</b>
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<b>NET POSITION</b>	
Net investment in capital assets	987
Unrestricted	136,918
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<b>TOTAL NET POSITION</b>	<b>\$ 137,905</b>
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*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL  
STATEMENT OF ACTIVITIES**

*For the year ended December 31,*

**2017**

	Expenses	PROGRAM REVENUES		Net Revenues (Expenses)
		Charges for Services	Capital Grants	
<b>EXPENSES</b>				
Public safety	\$ 389,996	\$ 383,348	\$ -	\$ (6,648)
<b>GENERAL REVENUES</b>				
Bond forfeiture judgments				7,127
Other income				52,049
Total General Revenues				59,176
<b>CHANGE IN NET POSITION</b>				<b>52,528</b>
NET POSITION - Beginning of year				85,377
<b>NET POSITION - End of year</b>				<b>\$ 137,905</b>

*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL  
BALANCE SHEET - GENERAL FUND**

*As of December 31,* **2017**

<b>ASSETS</b>		
Cash and cash equivalents	\$	126,952
Due from other governmental agencies		21,081
Accounts receivable		1,268
Due from Agency Fund		3,977
<b>TOTAL ASSETS</b>		<b>\$ 153,278</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$	7,479
Total Liabilities		7,479
<b>FUND BALANCE</b>		
Unassigned		145,799
Total Fund Balance		145,799
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>\$ 153,278</b>

*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL**  
**RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND**  
**TO THE STATEMENT OF NET POSITION**

<i>As of December 31,</i>	<b>2017</b>
<b>FUND BALANCE - Total governmental fund</b>	<b>\$ 145,799</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.</p>	
Governmental capital assets	70,686
Less accumulated depreciation	(69,699)
	987
<p>Compensated absences used in governmental activities are not financial uses, and therefore, are not reported in the funds.</p>	
	(8,881)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 137,905</b>

*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - GENERAL FUND**

*For the year ended December 31,*

**2017**

**REVENUES**

City of Slidell fees	\$ 166,471
City Court of Slidell fees	151,703
Other income	52,049
Evictions	41,719
Fingerprint fees	9,775
On behalf payments	13,680
Bond forfeiture judgments	7,127

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Total Revenues	442,524
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**EXPENDITURES**

Salaries	277,517
Payroll taxes	5,307
Deferred compensation plan	6,110
Telephone	5,670
Automobile	3,578
Retirement fund	26,028
Professional fees	7,955
Insurance	33,462
Rent expense	13,680
Materials and supplies	6,156
Miscellaneous	2,769

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Total Expenditures	388,232
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<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>54,292</b>
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FUND BALANCE - Beginning of year	91,507
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<b>FUND BALANCE - End of year</b>	<b>\$ 145,799</b>
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*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GENERAL FUND TO  
THE STATEMENT OF ACTIVITIES**

<i>For the year ended December 31,</i>	<b>2017</b>
<b>NET CHANGE IN FUND BALANCE - Total governmental fund</b>	<b>\$ 54,292</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>General fund reports capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	(538)
<p>General fund reports compensated absences as expenditures when the amount is paid. In the statement of activities, the net accretion is reported as an expense.</p>	(1,226)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 52,528</b>

*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND**

<i>As of December 31,</i>	<b>2017</b>
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<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,977
<hr/>	
<b>TOTAL ASSETS</b>	<b>\$ 3,977</b>
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<b>LIABILITIES</b>	
Due to Marshal	\$ 3,977
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<b>TOTAL LIABILITIES</b>	<b>\$ 3,977</b>
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*See accompanying notes and Independent Accountants' Review Report.*

**CITY MARSHAL OF SLIDELL  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS  
AND LIABILITIES - AGENCY FUND**

*For the Year Ended December 31,*

**2017**

	January 1, 2017	<b>Additions</b>	<b>Deductions</b>	December 31, 2017
Cash and cash equivalents	\$ 4,937	\$ 299,918	\$ (300,878)	\$ <b>3,977</b>
<b>Total Assets</b>	<b>4,937</b>	<b>299,918</b>	<b>(300,878)</b>	<b>3,977</b>
Due to Marshal	4,937	299,918	(300,878)	<b>3,977</b>
<b>Total Liabilities</b>	<b>\$ 4,937</b>	<b>\$ 299,918</b>	<b>\$ (300,878)</b>	<b>\$ 3,977</b>

*See accompanying notes and Independent Accountants' Review Report.*

## CITY MARSHAL OF SLIDELL NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City Marshal of Slidell (the 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. The more significant of the governmental entity's accounting policies are described below.

#### ***Reporting Entity***

As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the voters of St. Tammany Parish elect the City Marshal of Slidell for a term of six years.

For reporting purposes, the Marshal is a stand-alone entity as defined by GASB Codification 2600 *Reporting Entity and Component Unit Presentation and Disclosure*. The Marshal is neither fiscally dependent on any other local government, nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements of the Marshal.

#### ***Basic Financial Statements – Government-Wide Statements***

The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. There were no activities of the Marshal categorized as business-type activities.

In the government-wide statement of net position, the governmental activity column is presented on a consolidated basis by column, 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 Marshal's net position is reported in two parts: net investment in capital assets and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of the Marshal's function. The statement of activities reduces gross expenses by related program revenues, operating and capital grants.

Program revenues must be directly associated with the function. These revenues are derived from fees charged for services. Operating grants include operating-specific and discretionary grants (either operating or capital) while capital grants reflect capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc.). The Marshal does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Marshal as an entity and the change in the Marshal's net position resulting from the current year's activities.

## CITY MARSHAL OF SLIDELL NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Basic Financial Statements – Government-Wide Statements (Continued)***

The financial transactions of the Marshal are reported in an individual fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures. The fund is reported by a generic classification within the financial statements. The fund used by the Marshal is as follows:

*General Fund* – The general fund is that through which general governmental functions of the Marshal are financed. The acquisition, use, and balances of the Marshal's expendable financial resources and the related liabilities are accounted for through the general fund. The general fund is the principal fund of the Marshal. General operating expenditures are paid from this fund.

#### ***Fiduciary Fund***

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

#### ***Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

#### ***Basis of Presentation***

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of the Marshal consist principally of fines and fees for services relating to court filings. Any interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

## CITY MARSHAL OF SLIDELL NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Basis of Presentation (Continued)*

The modified accrual basis of accounting is used by the governmental fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recorded as fund liabilities when due. At December 31, 2017, the Marshal held no long-term debt.

The revenues of the Marshal, susceptible to accrual, are fees due from the City of Slidell and other governmental units, and fees charged for wage garnishments. Substantially all other revenues are recorded when received. Capital assets, including related depreciation, and compensated absences are not recognized in the governmental fund financial statements.

#### *Fund Balance*

In fund financials, fund balance for the general fund is reported in classifications that comprise a hierarchy based primarily on the extent to which the Marshal is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Marshal to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Marshal. Those committed amounts cannot be used for any other purpose unless the Marshal removes or changes the specified use by taking the same type of action (ordinance or resolution) employed previously to commit those amounts.

*Assigned* – This component consists of amounts that are constrained by the Marshal’s intent to be used for specific purposes, but are neither restricted nor committed.

## CITY MARSHAL OF SLIDELL NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Fund Balance (Continued)***

*Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the governmental fund. When both restricted and unassigned resources are available for use, the Marshal uses restricted resources first, then unassigned resources (committed, assigned and unassigned) are available for use.

The Marshal did not have any nonspendable, restricted, committed or assigned fund balances at December 31, 2017.

#### ***Net Position***

The Marshal adopted GASB Codifications that provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. GASB Codifications require that deferred outflows of resources should be reported in a statement of net position in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities. There were no deferred inflows or outflows at year end.

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

*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.

*Restricted net position* consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

#### ***Use of Estimates***

The preparation of the Marshal’s financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets, deferred outflows, liabilities, and deferred inflows as of December 31, 2017. Adjustments to the reported amounts of assets, deferred outflows, liabilities, and deferred inflows may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2017 financial statements.

**CITY MARSHAL OF SLIDELL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Budget and Budgetary Accounting***

Formal budgetary accounting is employed as a management control device during the year for the general fund. The budget is adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP).

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in demand deposits and certificates of deposits with an original maturity of three months or less.

***Capital Assets***

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. It is the Marshal's policy to capitalize expenditures for items in excess of \$1,000 with a useful life of at least three years. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Automobiles	5 years
Furniture and equipment	5 years

***Allowance for Uncollectible Receivables***

The financial statements for the Marshal contain no allowance for uncollectible receivables. Uncollectible receivables (including amounts due from other governmental agencies) are recognized as uncollectible receivables at the time the information becomes available which would indicate the uncollectibility of the particular receivable. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

***Recently Issued Accounting Pronouncements***

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The Office is currently assessing the impact of GASB 84 on the financial statements for the year ending December 31, 2019.

**CITY MARSHAL OF SLIDELL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Recently Issued Accounting Pronouncements (Continued)***

In June 2017, the GASB issued Statement No. 87 - Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Office is currently assessing the impact of GASB 84 on the financial statements for the year ending December 31, 2019.

**NOTE 2 – CONCENTRATIONS OF CREDIT RISK**

The Marshal maintains cash accounts at local financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts at each institution up to \$250,000. As of December 31, 2017, the Marshal's cash balance did not exceed the FDIC insurance. The Marshal has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

**NOTE 3 – OPERATING LEASES**

The Marshal periodically enters into lease transactions for equipment. The Marshal records lease payments on these operating leases as expenses when incurred. The equipment lease was renewed on May 12, 2016, ending May 2021. Lease expense related to the operating lease for the year ended December 31, 2017 amounted to \$2,023.

As of December 31, 2017, future minimum lease payments are as follows:

For the year ending December,		
2018	\$	2,019
2019		2,019
2020		2,019
2021		841
<b>Total future minimum lease payments</b>	<b>\$</b>	<b>6,898</b>

**CITY MARSHAL OF SLIDELL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – DUE FROM OTHER GOVERNMENTAL AGENCIES AND AGENCY FUND**

Included in due from other governmental agencies are amounts due from a governmental agency for a portion of agency fees that are associated with tickets written by the St. Tammany Parish Sheriff’s Department through the City Court of Slidell. As of December 31, 2017, the balance due from the City Court of Slidell was \$9,113.

Included in due from other governmental agencies are amounts due from a governmental agency for a portion of the agency fees that are associated with general operations and deferred compensation through the City of Slidell. As of December 31, 2017, the balance due from the City of Slidell was \$11,083.

Due from agency fund consists of amounts payable for the on behalf of the Marshal. As of December 31, 2017, the balance in the account was \$3,977.

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended December 31, 2017:

	January 1, 2017	Additions	Deletions	December 31, 2017
<b>Cost</b>				
Automobiles	\$ 51,588	\$ -	\$ -	\$ 51,588
Furniture and equipment	19,098	-	-	19,098
Total	70,686	-	-	70,686
<b>Accumulated depreciation</b>				
Automobiles	51,588	-	-	51,588
Furniture and equipment	17,573	538	-	18,111
Total	69,161	538	-	69,699
<b>Capital assets, net</b>	<b>\$ 1,525</b>	<b>\$ (538)</b>	<b>\$ -</b>	<b>\$ 987</b>

**NOTE 6 – DEFERRED COMPENSATION PLAN**

The Marshal’s office offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Annual contributions to the Plan may not exceed the lesser of 100% of participant compensation or \$18,000 (for 2018). Additionally, participants age 50 years or older may elect to defer an additional \$6,000.

## CITY MARSHAL OF SLIDELL NOTES TO FINANCIAL STATEMENTS

### NOTE 6 – DEFERRED COMPENSATION PLAN (CONTINUED)

During the three calendar years ending prior to normal retirement age, as defined by the Plan, participants may be eligible to contribute “catch-up” amounts not to exceed amounts permitted by the Internal Revenue Code. Salaries of employees participating in the Plan for the years ended December 31, 2017, 2016, and 2015 totaled \$222,930, \$251,284, and \$272,496, respectively. The employer’s contributions for the years ended December 31, 2017, 2016, and 2015 were \$6,110, \$12,154, and \$7,346, respectively, and the employee’s contributions were \$47,410, \$46,245, and \$35,223, respectively. Employee contributions are made as non-taxable payroll deductions.

All amounts of the compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or beneficiary) are solely the property and rights of the Marshal (without being restricted to the provisions of benefits under the Plan), subject only to the claims of the Marshal’s general creditors. Participants’ rights under the Plan are equal to those of general creditors of the Marshal in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Marshal’s legal counsel that the Marshal has no liability for losses under the Plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Marshal believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Accordingly, the Plan’s assets and related liabilities have not been included herein.

Investments are managed by the Plan’s administrator (Louisiana Deferred Compensation Commission). The choices of the investment option(s) are made by the Plan participants.

### NOTE 7 – COMPENSATED ABSENCES

The Marshal’s full-time and part-time employees receive one week of annual paid leave upon completion of one year of employment. Annual paid leave may be accumulated up to 120 hours. Annual leave vests with the employee, and therefore, has been accrued. The amount of accumulated unpaid leave at December 31, 2017 was \$8,881.

### NOTE 8 – PENSION PLAN

#### *Municipal Employees’ Retirement System of Louisiana*

The City of Slidell annually charges the Marshal for pension costs incurred by its retirement system. Pension costs for the year ended December 31, 2017 was \$26,028. Employees of the court are allowed to participate in the Municipal Employees’ Retirement System of Louisiana (the System) and the Marshal is allocated a percentage of the costs annually by the City of Slidell.



**CITY MARSHAL OF SLIDELL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – PENSION PLAN (CONTINUED)**

***Municipal Employees' Retirement System of Louisiana (Continued)***

The System does not make separate measurements of assets and pension benefit obligations for individual entities such as the Marshal and the actuarial/financial information as of December 31, 2017 for the System was not available at the date of the report issuance. The City of Slidell and the Marshal do not guarantee the benefits granted by the retirement system. Historical trend information showing the System's progress is accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. The report may be obtained via contact with Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809. Telephone: (225) 925-4810; Toll Free: (800) 820-1137; Fax: (225) 925-4816.

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**Required Supplementary  
Information (Part II)**

**CITY MARSHAL OF SLIDELL**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the year ended December 31,

2017

	Budgeted Amounts		General Fund	Variance
	Original	Final		Favorable (Unfavorable)
<b>REVENUES</b>				
City of Slidell fees	\$ 138,000	\$ 183,462	\$ 166,471	\$ (16,991)
City Court of Slidell fees	106,000	153,800	151,703	(2,097)
Other income	21,500	47,031	52,049	5,018
Evictions	28,000	40,600	41,719	1,119
Fingerprint fees	15,000	9,500	9,775	275
On behalf payments	-	13,680	13,680	-
Bond forfeiture judgments	8,000	3,442	7,127	3,685
<b>Total revenues</b>	<b>316,500</b>	<b>451,515</b>	<b>442,524</b>	<b>(8,991)</b>
<b>EXPENDITURES</b>				
Salaries	240,000	290,000	277,517	12,483
Payroll taxes	-	-	5,307	(5,307)
Deferred compensation plan	-	-	6,110	(6,110)
Telephone	6,000	5,671	5,670	1
Automobile	4,000	3,500	3,578	(78)
Retirement fund	24,000	36,000	26,028	9,972
Professional fees	5,000	7,850	7,955	(105)
Insurance	25,000	33,462	33,462	-
Rent expense	-	-	13,680	(13,680)
Materials and supplies	6,500	5,923	6,156	(233)
Miscellaneous	-	-	2,769	(2,769)
<b>Total expenditures</b>	<b>310,500</b>	<b>382,406</b>	<b>388,232</b>	<b>(5,826)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 6,000</b>	<b>\$ 69,109</b>	<b>54,292</b>	<b>\$ (14,817)</b>
FUND BALANCE - Beginning of year			91,507	
<b>FUND BALANCE - End of year</b>			<b>\$ 145,799</b>	

See Independent Accountants' Review Report.



**Other Supplementary  
Information**

**CITY MARSHAL OF SLIDELL**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO AGENCY HEAD**

*For the Year Ended December 31,*

**2017**

**Agency Head Name:** Kevin Foltz, Marshal

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 110,840
Benefits-insurance	-
Benefits-retirement	-
Uniforms	-
Per diem	-
Reimbursements	302
Travel	-
Fuel usage	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
<b>Total</b>	<b>\$ 111,142</b>

*See Independent Accountants' Review Report.*

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES FOR COMPLIANCE  
WITH LAWS AND REGULATIONS**

Honorable Kevin Foltz, Marshal  
City Marshal of Slidell  
Slidell, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Marshal of Slidell (the Marshal) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Marshal's compliance with certain laws and regulations during the year ended December 31, 2017, included in the accompanying Louisiana Attestation Questionnaire. Management of the Marshal is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Public Bid Law***

1. Selected all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determined whether such purchases were made in accordance with Louisiana Revised Statute (R.S.) 38:2211-2296 (the public bid law).

**Results: The Marshal did not purchase any items exceeding \$30,000.**

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

2. Obtained from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of the Marshal and his employees, as well as their immediate families.

**Results: The Marshal provided us with the required list including the noted information.**

3. Obtained from management a listing of all employees paid during the period under inspection.

**Results: The Marshal provided us with the required listing.**

4. Determined whether any of those employees included in the listing obtained from management in agreed-upon procedure 3 were also included on the listing obtained from management in agreed-upon procedure 2 as immediate family members.

**Results: None of the employees included on the list provided by the Marshal in agreed-upon procedure 3 appeared on the list provided by management in agreed-upon procedure 2.**

### ***Budgeting***

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

**Results: The Marshal provided us with a copy of the original budget and the amended final budget.**

6. Traced the budget adoption and amendments to the minute book.

**Results: Not applicable.**

7. Compared the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

**Results: We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed budgeted amounts by more than 5%.**

### ***Accounting and Reporting***

8. Randomly selected six disbursements made during the period under examination and:

- a) Traced payments to supporting documentation as to proper amount and payee;

**Results: We examined supporting documentation for each of the six selected disbursements and found that payment was the proper amount and made to the correct payee.**

- b) Determined if payments were properly coded to the correct fund and general ledger account; and

**Results: We noted all six payments were coded to the correct general ledger accounts.**

- c) Determined whether payments received approval from proper authorities.

**Results: Inspection of documentation supporting each of the six selected disbursements indicated approval from the Marshal.**

### ***Meetings***

- 9. Inspected evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law).

**Results: Not applicable.**

### ***Debt***

- 10. Inspected bank deposits for the period under inspection and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

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

### ***Advances and Bonuses***

- 11. Inspected payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

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

### ***Prior Comments and Recommendations***

Our prior year report, dated June 21, 2017, did not include any comments or unresolved matters.

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

This report is intended solely for the use of management of the City Marshal of Slidell and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carri Riggs & Ingram, L.L.C.*

June 28, 2018



**CITY MARSHAL OF SLIDELL  
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Part 1 – Financial Statement Findings**

No findings noted for the year ended December 31, 2017.

**Part 2 – Compliance**

No findings noted for the year ended December 31, 2017.



**CITY MARSHAL OF SLIDELL  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Part 1 – Financial Statement Findings**

No findings noted for the year ended December 31, 2016.

**Part 2 – Compliance**

No findings noted for the year ended December 31, 2016.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)**

\_\_\_\_\_ (Date Transmitted)

Carr, Riggs & Ingram, LLC  
111 Veterans Blvd, Suite 350  
Metairie, LA 70005 (Auditors)

In connection with your review of our financial statements as of **December 31, 2016** and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 6/13/2017 (date of completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [  ]

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

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

Yes [] No [  ]

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

Yes [] No [  ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No [  ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No [  ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No [  ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No [  ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [  ]

**Advances and Bonuses**

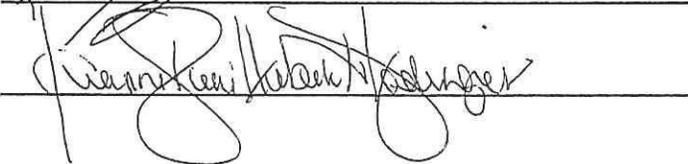
It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

  
\_\_\_\_\_  
Marshal 6-13-17 Date

  
\_\_\_\_\_  
Bookkeeper 6/13/17 Date

**CITY MARSHAL OF SLIDELL**  
**AGREED-UPON PROCEDURES REPORT**

December 31, 2017



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Honorable Kevin Foltz, Marshal  
City Marshal of Slidell  
Slidell, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the City Marshal of Slidell (the Marshal) is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Marshal and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Marshal's compliance with certain laws and regulations during the period of January 1, 2017 through December 31, 2017, in accordance with Act 774 of 2014 Regular Legislative Session.

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.

Our procedures and findings are as follows:

### **Deferred Compensation Plan Employer Match**

1. Obtained a listing of employees participating in the Marshal's deferred compensation plan, with their related salaries, and obtained management's representation that the listing is complete. Randomly selected one payroll period during the period under inspection and:
  - a. Obtained the employee deferred compensation enrollment form from each participant's file.

**Results: The deferred compensation form was not available for one employee out of six employees.**

**Management Response: A new form was filled out by the employee. Management will be proactive in making sure the required forms are readily available for all employees.**

- b. Obtained payment support for each participant in the deferred compensation plan for the selected period and performed a recalculation of the participant's deferred compensation contributions.

**Results: No exceptions were found as a result of applying the procedure.**

- c. Using the payment support obtained in 1b above, observed that the amount deducted from each participant's pay matched the elected contribution amount shown on the participant's deferred compensation enrollment form.

**Results: No exceptions were found as a result of applying the procedure.**

- d. Obtained the payment support for the deferred compensation payment from the entity for the selected period and performed a recalculation of the employer's deferred compensation contributions.

**Results: No exceptions were found as a result of applying the procedure.**

- e. Using the payment support obtained in 1d above, observed that the employer's deferred compensation payment(s) matched the required employer contributions per the policy/agreement.

**Results: No exceptions were found as a result of applying the procedure.**

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 on management's assertions. 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 areas identified in the Act 774 procedures, 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 Legislative Auditor as a public document.

*Carly Riggs & Ingram, L.L.C.*

June 28, 2018