

**MARSHAL – CITY COURT  
OF LAFAYETTE, LOUISIANA**

**FINANCIAL REPORT**

**YEAR ENDED OCTOBER 31, 2017**

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 <b>BASIC FINANCIAL STATEMENTS</b>	
 <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	6
Statement of activities	7
 <b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental funds	9
Reconciliation of the governmental funds balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balances - governmental funds	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of the governmental funds to the statement of activities	12
Notes to basic financial statements	13-22
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund:	
Budgetary comparison schedule	24
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Comparative statement of net position	26
Comparative balance sheet - General Fund	27
General Fund:	
Budgetary comparison schedule - compared to actual for prior year	28
Budgetary comparison schedule - expenditures - compared to actual for prior year	29
Nonmajor Governmental Funds	
Balance sheet	30
Statement of revenues, expenditures and changes in fund balances	31
 <b>INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS</b>	
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 <i>Government Auditing Standards</i>	33-34
Summary schedule of current and prior year audit findings and management's corrective action plan	35-37

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

To the Marshal  
City Court of Lafayette, Louisiana  
Lafayette, Louisiana

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

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

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marshal's basic financial statements. The other supplementary information on pages 26 through 31 is presented for purposes of additional analysis and is not a required part of the financial statements.

The comparative statements and schedule on pages 26-27 and 30-31 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements are fairly stated in all material respects in relation to the financial statements as a whole. The prior year comparative information on these statements has been derived from the financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the financial statements as a whole.

The comparison schedules on pages 28 and 29 have not been subjected to the auditing procedures applied in the audit of the 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2018 on our consideration of the Marshal's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Marshal's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
April 17, 2018

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Net Position  
October 31, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 148,440
Accounts receivable	45,995
Prepaid expenses	<u>36,141</u>
Total current assets	230,576
Noncurrent assets:	
Capital assets, net	<u>123,152</u>
TOTAL ASSETS	<u>353,728</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	49,792
Capital lease payable	<u>15,827</u>
Total current liabilities	65,619
Noncurrent liabilities:	
Capital lease payable	<u>14,172</u>
Total liabilities	<u>79,791</u>
<b>NET POSITION</b>	
Net investment in capital assets	93,153
Restricted	3,543
Unrestricted	<u>177,241</u>
TOTAL NET POSITION	<u>\$273,937</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Activities  
For the Year Ended October 31, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue And Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 2,151,003	\$ 537,233	\$ 1,692,929	\$ 79,159
Interest on long-term debt	<u>1,320</u>	<u>-</u>	<u>-</u>	<u>(1,320)</u>
Total governmental activities	<u>\$ 2,152,323</u>	<u>\$ 537,233</u>	<u>\$ 1,692,929</u>	<u>77,839</u>
	General revenues			<u>-</u>
	Change in net position			77,839
	Net position - November 1, 2016			<u>196,098</u>
	Net position - October 31, 2017			<u>\$ 273,937</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Balance Sheet - Governmental Funds  
October 31, 2017

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u>        </u>	<u>        </u>	<u>        </u>
ASSETS			
Cash and interest-bearing deposits	\$ 144,897	\$ 3,543	\$ 148,440
Receivables -			
Accounts	45,995	-	45,995
Prepaid expenses	<u>36,141</u>	<u>-</u>	<u>36,141</u>
Total assets	<u>\$ 227,033</u>	<u>\$ 3,543</u>	<u>\$ 230,576</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	<u>\$ 49,792</u>	<u>\$ -</u>	<u>\$ 49,792</u>
Fund balances:			
Nonspendable (prepaid expenses)	36,141	-	36,141
Restricted	-	3,543	3,543
Unassigned	<u>141,100</u>	<u>-</u>	<u>141,100</u>
Total fund balances	<u>177,241</u>	<u>3,543</u>	<u>180,784</u>
Total liabilities and fund balances	<u>\$ 227,033</u>	<u>\$ 3,543</u>	<u>\$ 230,576</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
October 31, 2017

Total fund balances for governmental funds at October 31, 2017		\$ 180,784
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, net of \$440,976 of accumulated depreciation	\$ 106,088	
Furniture and fixtures, net of \$83,793 net of accumulated depreciation	<u>17,064</u>	123,152
Long-term liabilities at October 31, 2017:		
Capital lease payable		<u>(29,999)</u>
Net position at October 31, 2017		<u>\$ 273,937</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds  
 For the Year Ended October 31, 2017

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Fees charges and commissions for services -			
Bond forfeitures	\$ 7,813	\$ -	\$ 7,813
Fees and commissions	524,838	4,582	529,420
Intergovernmental -			
Federal grants	9,222	-	9,222
On-behalf payments	<u>1,683,707</u>	<u>-</u>	<u>1,683,707</u>
Total revenues	<u>2,225,580</u>	<u>4,582</u>	<u>2,230,162</u>
<b>Expenditures:</b>			
Current -			
General government	2,108,741	3,952	2,112,693
Capital outlay	62,785	3,505	66,290
Debt service	<u>14,636</u>	<u>-</u>	<u>14,636</u>
Total expenditures	<u>2,186,162</u>	<u>7,457</u>	<u>2,193,619</u>
Excess (deficiency) of revenues over expenditures	39,418	(2,875)	36,543
<b>Other financing sources:</b>			
Proceeds from capital lease	<u>23,500</u>	<u>-</u>	<u>23,500</u>
Net change in fund balances	62,918	(2,875)	60,043
Fund balances, beginning	<u>114,323</u>	<u>6,418</u>	<u>120,741</u>
Fund balances, ending	<u>\$ 177,241</u>	<u>\$ 3,543</u>	<u>\$ 180,784</u>

The accompanying notes are an integral part of the basic financial statements.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended October 31, 2017

Total net changes in fund balances for the year ended October 31, 2017 per statement of revenues, expenditures and changes in fund balances		\$ 60,043
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 66,290	
Depreciation expense for the year ended October 31, 2017	<u>(38,310)</u>	27,980
Capital lease proceeds are reported as other financing sources in the governmental funds, however, issuing debt increases long-term liabilities and does not affect the statement of activities		(23,500)
Capital lease payments considered as an expenditure on the statement of revenues, expenditures, and changes in fund balances whereas the payment reduces the balance of lease payable on the statement of net position		<u>13,316</u>
Total changes in net position for the year ended October 31, 2017 per statement of activities		<u>\$ 77,839</u>

The accompanying notes are an integral part of the basic financial statements.

# MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

## Notes to Basic Financial Statements

### INTRODUCTION

#### (1) Summary of Significant Accounting Policies

##### A. Financial Reporting Entity

The Marshal – City Court of Lafayette, Louisiana (Marshal) is an elected official who serves six-year terms. The Marshal is charged with the responsibility of conducting policing and security functions for the City Court of Lafayette, Louisiana. Operations of the Marshal's office are funded by Lafayette City-Parish Consolidated Government (LCG), the State of Louisiana, and court costs charged by the City Court of Lafayette, Louisiana attributable to the performance of the Marshal's duties.

These financial statements only include funds, activities, et cetera, that are controlled by the Marshal as an independently elected official.

##### B. Basis of Presentation

The accompanying basic financial statements of the Marshal have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

##### Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Marshal as a whole. These statements include all the financial activities of the Marshal. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

The statement of activities presents a comparison between direct expenses and program revenues for the Marshal's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include bond forfeitures, drug seizures, equitable sharing receipts, and fees and commissions. Revenues that are not classified as program revenues are presented as general revenues.

## MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Fund Financial Statements (FFS)

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

#### Governmental Funds -

##### General Fund

The General Fund is the general operating fund of the Marshal. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is financed through court costs and commissions as well as bond forfeitures earned by the Marshal. Resources of the fund are used to supplement the cost of operating the Marshal's office.

##### Special Revenue Funds

##### Drug Enforcement Fund -

The Drug Enforcement Fund is used to account for the Marshal's revenues which are legally restricted for use in drug enforcement and education. This fund is financed through a sixty percent (60%) allocation of monies seized in drug-related arrests.

##### Equitable Sharing Fund -

The Equitable Sharing Fund is used to account for the Marshal's revenues which are legally restricted for law enforcement expenditures. This fund is financed through a Federal Equitable Sharing Agreement with the United States Departments of Justice and the Treasury sharing forty percent (40%) of available amounts with participating local law enforcement agencies.

##### Fiduciary (Agency) Funds -

##### Garnishment Fund

The Garnishment Fund is used to account for assets held by the Marshal as agent. This fund is used for the collection of court-ordered garnishment judgments. The Marshal charges an administrative fee and remits all other funds to the respective creditors. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The Marshal disburses all funds received during the month on the last day of each month and, therefore, at October 31, 2017 there is no balance in this fund.

## MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Restitution Fund

The Restitution Fund is used to account for assets held by the Marshal as agent. This fund is used for the collection of court-ordered restitutions. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The Marshal disburses all funds received during the month on the last day of each month and, therefore, at October 31, 2017 there is no balance in this fund.

Since by definition, fiduciary assets are held for the benefit of a third party and cannot be used to address activities or obligations for the Marshal, they are not incorporated into the government-wide statements. Since there is no book balance in the fiduciary funds as of October 31, 2017, the Marshal does not present a fiduciary funds statement of assets and liabilities.

#### C. Measurement Focus/Basis of Accounting

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

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.

The agency funds are prepared on the cash basis of accounting which approximates modified accrual basis of accounting.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after the year end. Expenditures are recognized when the related liability is incurred.

#### D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

##### Cash and interest-bearing deposits

Cash and interest-bearing deposits are stated at cost, which approximates market.

##### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not received. Amounts due to the Marshal for courts costs, commissions, and bond forfeitures earned from providing services to the City Court of Lafayette, Louisiana are included in accounts receivable, which amounted to \$45,995 as of October 31, 2017.

##### Prepaid expenditures

Payments made for insurance and other expenditures that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenditures.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Marshal as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer and office equipment	5
Radio equipment	10
Vehicles	5
Furniture and fixtures	10

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred inflows or outflows as of October 31, 2017.

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 reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers or the Marshal's debt.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of "net investment in capital assets" or "restricted".

## MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

In the governmental fund financial statements, fund equity is classified as fund balances and are classified as follows:

- a. Nonspendable – Includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact. All amounts reported as nonspendable as of October 31, 2017, by the Marshal are nonspendable in form. The Marshal has not reported any amounts that are legally or contractually required to be maintained intact.
- b. Restricted – Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.
- c. Committed – Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Marshal who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the Marshal.
- d. Assigned – Includes amounts that the Marshal intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Marshal or his designee may assign amounts to this classification.
- e. Unassigned – Includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

#### Use of restricted resources

When an expenditure is incurred that can be paid using either restricted or unrestricted resources (fund balances), the Marshal considers to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Marshal considers to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Marshal is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Marshal.

F. Budgets and Budgetary Accounting

The Marshal is required to adopt an annual budget for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (“GAAP”) of the United States of America.

G. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. As of October 31, 2017, the Marshal had cash and interest-bearing deposits (book balances) totaling \$148,440 attributable to governmental activities.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Marshal’s deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. As of October 31, 2017, bank balances in the amount of \$239,109 were as follows:

Bank balances	<u>\$ 239,109</u>
Federal deposit insurance	239,109
Pledged securities	-
Total	<u>\$ 239,109</u>

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset activity for the year ended October 31, 2017 was as follows:

	<u>Balance</u> 11/1/2016	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 10/31/2017
Governmental activities:				
Capital assets being depreciated				
Equipment and vehicles	\$ 480,774	\$ 66,290	\$ -	\$ 547,064
Furniture and fixtures	100,857	-	-	100,857
Total capital assets being depreciated	<u>581,631</u>	<u>66,290</u>	<u>-</u>	<u>647,921</u>
Less: accumulated depreciation				
Equipment and vehicles	407,206	33,770	-	440,976
Furniture and fixtures	79,253	4,540	-	83,793
Total accumulated depreciation	<u>486,459</u>	<u>38,310</u>	<u>-</u>	<u>524,769</u>
Governmental activities, capital assets, net	<u>\$ 95,172</u>	<u>\$ 27,980</u>	<u>\$ -</u>	<u>\$ 123,152</u>

Depreciation expense in the amount of \$38,310 was charged to general government.

(4) Capital Lease

The Marshal is obligated under the following lease agreements as of October 31, 2017:

Ally Financial \$31,373 lease-purchase agreement, maturing August 2018, 36 monthly payments of \$961, including interest at 6.84%, secured by a vehicle having a carrying value of \$20,001, which is included in the equipment and vehicles capital asset class.

Ally Financial \$23,500 lease-purchase agreement, maturing July 2020, 36 monthly payments of \$715, including interest at 6.34%, secured by a vehicle having a carrying value of \$22,325, which is included in the equipment and vehicles capital asset class.

Scheduled maturities of the capital leases are as follows:

<u>Year Ending</u> <u>October 31,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2018	\$ 15,827	\$ 1,397	\$ 17,224
2019	7,906	671	8,577
2020	<u>6,266</u>	<u>167</u>	<u>6,433</u>
Total	<u>\$ 29,999</u>	<u>\$ 2,235</u>	<u>\$ 32,234</u>

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Risk Management

The Marshal is exposed to risks of loss in the areas of professional liability, auto liability, general liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. LCG obtains and maintains insurance coverage for the Marshal and the Marshal is responsible for paying one-half of the cost. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(6) Litigation

As of October 31, 2017, the Marshal's office is not involved in any litigation.

(7) Expenditures of the Marshal's Office Paid by LCG

The Marshal's administrative office is located in a building owned by LCG. The cost of maintaining and operating this building, as required by statute, is paid by LCG. These expenditures are not included in the accompanying financial statements.

Payroll and benefits for the full-time employees of the Marshal's office are paid by LCG and are not reimbursed by the Marshal's office. There are no liabilities related to payroll, benefits and postemployment benefits attributable to the Marshal's office. Additionally, one-half of the Marshal's insurance expense is paid by LCG.

(8) On-behalf Payments for Fringe Benefits and Salaries

GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, requires the Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana and by the parish governments to certain employees of the Marshal's office.

Supplemental salary payments are made by the state and parish governments directly to the Marshal's employees. The Marshal's office is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the state and parish governments. On-behalf payments recorded as revenue and expenditures in the 2017 financial statements are as follows:

General Fund:

State of Louisiana	\$ 121,697
Lafayette City-Parish Consolidated Government	<u>1,562,010</u>
Total on-behalf payments	<u>\$1,683,707</u>

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Employee Retirement Systems

Substantially all employees of the Marshal’s office participate in one of two retirement systems as follows:

Municipal Employees’ Retirement System (MERS) is a cost-sharing defined benefit plan which provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries. The employees participate in Plan A. The separately issued plan report may be accessed on their website at <http://www.mersla.com/>

Parochial Employees’ Retirement System (PERS) is a cost-sharing defined benefit plan which provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries. The employees participate in Plan A. The separately issued plan report may be accessed on the website at <http://www.persla.com/>

The Marshal’s share of the costs of each of these plans is paid by LCG, and therefore, the pension liabilities, deferred outflows of resources and deferred inflows of resources related to these plans are included in LCG’s financial statements.

(10) Changes in Agency Fund Balances

A summary of changes in agency fund balances as of October 31, 2017 is as follows:

	Garnishment Fund	Restitution Fund	Total
Balances, October 31, 2016	\$ -	\$ -	\$ -
Additions	1,128,309	34,669	1,162,978
Reductions	<u>(1,128,309)</u>	<u>(34,669)</u>	<u>(1,162,978)</u>
Balances, October 31, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(11) Restricted Fund Balance

As of October 31, 2017, fund balance of the Drug Enforcement Fund in the amount of \$3,126 was restricted for drug enforcement and education expenditures. As of October 31, 2017, fund balance of the Equitable Sharing Fund in the amount of \$417 was restricted for law enforcement expenditures.

MARSHAL – CITY COURT OF LAFAYETTE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Brian Pope, City Marshal, for the year ended October 31, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
On-behalf payments:	
Lafayette Consolidated Government -	
Salary	\$ 77,067
Benefits - insurance	9,234
State of Louisiana -	
Supplemental pay	6,000
Civil fees (paid by Lafayette City Court)	83,977
Garnishments	33,375
Per diem	447
Travel	435
Registration fees	625
Conference travel	2,356
Total	<u>\$ 213,516</u>

(13) Subsequent Event

According to Attorney General Opinion 18-0011 issued on January 29, 2018, the Marshal is allowed to collect fees established by Louisiana Revised Statute 13:5807; however, these fees are not payable to the Marshal as direct compensation and should be placed into an account for the exclusive use of the expenses of his office. Since the Marshal receives such fees as direct compensation, it is unclear what the effect of this practice would have on the financial statements as of and for the year ended October 31, 2017.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

General Fund  
 Budgetary Comparison Schedule  
 Year Ended October 31, 2017

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Fees charges and commissions for services -				
Bond forfeitures	\$ 10,000	\$ 9,376	\$ 7,813	\$ (1,563)
Fees and commissions	584,700	528,441	524,838	(3,603)
Intergovernmental -				
Federal grants	6,000	8,010	9,222	1,212
On-behalf payments	<u>1,400,000</u>	<u>1,685,000</u>	<u>1,683,707</u>	<u>(1,293)</u>
Total revenues	<u>2,000,700</u>	<u>2,230,827</u>	<u>2,225,580</u>	<u>(5,247)</u>
<b>Expenditures:</b>				
Current -				
General government	1,897,050	2,129,885	2,108,741	21,144
Capital outlay	25,000	62,500	62,785	(285)
Debt service	<u>11,500</u>	<u>14,636</u>	<u>14,636</u>	<u>-</u>
Total expenditures	<u>1,933,550</u>	<u>2,207,021</u>	<u>2,186,162</u>	<u>20,859</u>
Excess of revenues over expenditures	67,150	23,806	39,418	15,612
<b>Other financing sources:</b>				
Proceeds from capital lease	<u>-</u>	<u>23,500</u>	<u>23,500</u>	<u>-</u>
Net change in fund balance	67,150	47,306	62,918	15,612
Fund balance, beginning	<u>114,323</u>	<u>114,323</u>	<u>114,323</u>	<u>-</u>
Fund balance, ending	<u>\$ 181,473</u>	<u>\$ 161,629</u>	<u>\$ 177,241</u>	<u>\$ 15,612</u>

**OTHER SUPPLEMENTARY  
INFORMATION**

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Comparative Statement of Net Position  
For the Years Ended October 31, 2017 and 2016

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets:		
Cash and interest-bearing deposits	\$ 148,440	\$ 107,903
Accounts receivable	45,995	50,245
Prepaid expenses	<u>36,141</u>	<u>20,180</u>
Total current assets	230,576	178,328
Noncurrent assets:		
Capital assets, net	<u>123,152</u>	<u>95,172</u>
Total assets	<u>353,728</u>	<u>273,500</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	49,792	57,587
Capital lease payable	<u>15,827</u>	<u>10,501</u>
Total current liabilities	65,619	68,088
Noncurrent liabilities:		
Capital lease payable	<u>14,172</u>	<u>9,314</u>
Total liabilities	<u>79,791</u>	<u>77,402</u>
<b>NET POSITION</b>		
Net investment in capital assets	93,153	75,357
Restricted	3,543	6,418
Unrestricted	<u>177,241</u>	<u>114,323</u>
Total net position	<u>\$ 273,937</u>	<u>\$ 196,098</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Comparative Balance Sheet - General Fund  
October 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and interest-bearing deposits	\$ 144,897	\$ 101,485
Receivables -		
Accounts	45,995	50,245
Prepaid expenses	<u>36,141</u>	<u>20,180</u>
 Total assets	 <u>\$ 227,033</u>	 <u>\$ 171,910</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	<u>\$ 49,792</u>	<u>\$ 57,587</u>
Fund balance:		
Nonspendable (prepaid expenses)	36,141	20,180
Unassigned	<u>141,100</u>	<u>94,143</u>
 Total fund balance	 <u>177,241</u>	 <u>114,323</u>
 Total liabilities and fund balance	 <u>\$ 227,033</u>	 <u>\$ 171,910</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Budgetary Comparison Schedule - General Fund

For the Year Ended October 31, 2017

With Comparative Actual Balances for the Year Ended October 31, 2016

	2017		Actual	Variance with Final Budget Positive (Negative)	2016
	Budget				
	Original	Final			
<b>Revenues:</b>					
Fees, charges and commissions for services -					
Bond forfeitures	\$ 10,000	\$ 9,376	\$ 7,813	\$ (1,563)	\$ 11,351
Fees and commissions	584,700	528,441	524,838	(3,603)	579,309
Intergovernmental -					
Federal grants	6,000	8,010	9,222	1,212	7,023
On-behalf payments	<u>1,400,000</u>	<u>1,685,000</u>	<u>1,683,707</u>	<u>(1,293)</u>	<u>1,681,283</u>
Total revenues	<u>2,000,700</u>	<u>2,230,827</u>	<u>2,225,580</u>	<u>(5,247)</u>	<u>2,278,966</u>
<b>Expenditures:</b>					
Current -					
General government	1,897,050	2,129,885	2,108,741	21,144	2,421,163
Capital outlay	25,000	62,500	62,785	(285)	50,093
Debt service	<u>11,500</u>	<u>14,636</u>	<u>14,636</u>	<u>-</u>	<u>11,531</u>
Total expenditures	<u>1,933,550</u>	<u>2,207,021</u>	<u>2,186,162</u>	<u>20,859</u>	<u>2,482,787</u>
Excess (deficiency) of revenues over expenditures	67,150	23,806	39,418	15,612	(203,821)
<b>Other financing sources:</b>					
Proceeds from capital lease	<u>-</u>	<u>23,500</u>	<u>23,500</u>	<u>-</u>	<u>29,624</u>
Net change in fund balance	67,150	47,306	62,918	15,612	(174,197)
Fund balance, beginning	<u>114,323</u>	<u>114,323</u>	<u>114,323</u>	<u>-</u>	<u>288,520</u>
Fund balance, ending	<u>\$ 181,473</u>	<u>\$ 161,629</u>	<u>\$ 177,241</u>	<u>\$ 15,612</u>	<u>\$ 114,323</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Budgetary Comparison Schedule - Expenditures - General Fund  
 For the Year Ended October 31, 2017  
 With Comparative Actual Balances for the Year Ended October 31, 2016

	2017				2016 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Current:					
General government -					
Contract labor	\$ 65,000	\$ 70,813	\$ 70,746	\$ 67	\$ 68,446
On-behalf salaries and benefits	1,400,000	1,685,000	1,683,707	1,293	1,681,283
Accounting and professional - audit	15,000	16,985	16,985	-	13,575
Accounting and professional - other	-	10,895	9,355	1,540	-
Advertising	5,000	8,666	8,179	487	13,394
Badges	3,000	144	144	-	2,420
Belts and holsters	2,500	277	607	(330)	2,896
Bullet proof vests	4,000	9,113	5,656	3,457	3,535
CALEA	4,500	5,000	(745)	5,745	5,208
Clothing allowance	13,800	13,800	13,800	-	13,800
Computer expense	3,500	8,433	8,433	-	3,622
Dues and subscriptions	2,000	3,110	3,077	33	2,038
Equipment	10,500	9,191	9,954	(763)	41,284
Equipment maintenance	5,000	2,249	1,777	472	7,244
Insurance	61,750	54,597	54,399	198	49,572
K9 expenses	4,250	6,100	5,832	268	4,225
Legal	36,500	38,736	40,086	(1,350)	153,611
Claims	100,000	-	-	-	184,170
Medical	7,500	7,567	7,446	121	12,281
Office expense	32,750	25,544	26,148	(604)	27,021
Postage	14,000	9,276	9,258	18	13,362
Printing and binding	5,500	3,878	3,555	323	5,389
Prisoner transportation	3,000	560	1,180	(620)	2,180
Reference books and publications	2,000	764	764	-	1,918
Axon contract	1,000	35,860	28,092	7,768	21,685
Telephone	60,000	55,594	56,652	(1,058)	59,613
Travel and training	6,000	4,556	647	3,909	4,294
Transportation	6,000	33,525	33,339	186	6,054
Uniforms	11,500	5,362	5,378	(16)	12,614
Weapons and ammunition	11,500	4,290	4,290	-	4,429
Total general government	<u>1,897,050</u>	<u>2,129,885</u>	<u>2,108,741</u>	<u>21,144</u>	<u>2,421,163</u>
Capital outlay	25,000	62,500	62,785	(285)	50,093
Debt service	11,500	14,636	14,636	-	11,531
Total expenditures	<u>\$ 1,933,550</u>	<u>\$ 2,207,021</u>	<u>\$ 2,186,162</u>	<u>\$ 20,859</u>	<u>\$ 2,482,787</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Balance Sheet - Nonmajor Governmental Funds

October 31, 2017

	Drug Enforcement Fund	Equitable Sharing Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and interest-bearing deposits	<u>\$ 3,126</u>	<u>\$ 417</u>	<u>\$ 3,543</u>
FUND BALANCES			
Fund balances:			
Restricted	<u>\$ 3,126</u>	<u>\$ 417</u>	<u>\$ 3,543</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 For the Year Ended October 31, 2017  
 With Comparative Actual Balances for the Year Ended October 31, 2016

	2017			2016
	Drug Enforcement Fund	Equitable Sharing Fund	Total Nonmajor Governmental Funds	
<b>Revenues:</b>				
Fees, charges and commissions for services - Fees and commissions	\$ 4,582	\$ -	\$ 4,582	\$ 703
<b>Expenditures:</b>				
<b>Current -</b>				
General government	3,952	-	3,952	16,029
Capital outlay	3,505	-	3,505	-
Total expenditures	7,457	-	7,457	16,029
Net change in fund balances	(2,875)	-	(2,875)	(15,326)
Fund balances, beginning	6,001	417	6,418	21,744
Fund balances, ending	\$ 3,126	\$ 417	\$ 3,543	\$ 6,418

**INTERNAL CONTROL, COMPLIANCE,  
AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

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

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

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

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

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

\* A Professional Accounting Corporation

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

WWW.KCSRCPAS.COM

To the Marshal  
City Court of Lafayette, Louisiana  
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Marshal – City Court of Lafayette, Louisiana (Marshal) as of and for the year ended October 31, 2017, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements and have issued our report thereon dated April 17, 2018.

### Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and corrective action, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2017-001 and 2017-002 to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted additional matters that we have reported to the Marshal in a separate letter dated April 17, 2018.

## **Marshal's Response to Findings**

The Marshal's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Marshal's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

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

April 17, 2018  
Lafayette, Louisiana

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year  
Audit Findings and Management's Corrective Action Plan  
For the Year Ended October 31, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (10/31/17) --</u>						
<u>Internal Control:</u>						
2017-001	2007	The Marshal's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The Marshal has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Marshal's office to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Brian Pope, City Marshal	N/A
2017-002	2014	Due to the small number of employees, the Marshal did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Brian Pope, City Marshal	N/A
<u>Management Letter:</u>						
2017-003	2015	The Marshal receives certain fees established by La. R.S. 13:5807 in the form of direct compensation. AG Opinion 18-0011 issued on January 29, 2018 specifically prohibits the Lafayette Marshal from receiving these fees as direct compensation. We recommend the Marshal cease this practice and seek legal advice concerning compensation taken prior to the January 29, 2018 AG opinion.	No	The Marshal's legal counsel is in the process of reviewing this matter in order to determine the appropriate resolution.	Brian Pope, City Marshal	10/31/2018

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year  
Audit Findings and Management's Corrective Action Plan  
For the Year Ended October 31, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (10/31/17) --</u>						
<u>Management Letter:</u>						
2017-004	2016	The Marshal's office paid legal fees associated with his defense of a criminal contempt of court suit. The District Attorney has filed criminal charges against the Marshal for the payment of these fees with public funds. Based upon the opinion of the Marshal's legal counsel, the expenditures are allowable. Therefore, it is unclear whether these are valid public expenditures, which will be determined when the case is settled.	No	The Marshal 's legal counsel believes these charges were allowed to be paid from public funds. The case is pending as of October 31, 2017.	Brian Pope, City Marshal	10/31/2018
<u>PRIOR YEAR (10/31/16) --</u>						
<u>Internal Control:</u>						
2016-001	2007	The Marshal's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.	N/A	The Marshal has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Marshal's office to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Brian Pope, City Marshal	N/A
2016-002	2014	Due to the small number of employees, the Marshal did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Brian Pope, City Marshal	N/A
2016-003	2016	In order to obtain efficient and effective controls over the purchasing process, the Marshal's office should establish a credit card policy which limits the number and use of credit cards. Credit cards should not be used for routine or recurring purchases.	Yes	The Marshal is in the process of developing a credit card policy that will limit the number and use of credit cards.	Brian Pope, City Marshal	10/31/2017

(continued)

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

Summary Schedule of Current and Prior Year  
 Audit Findings and Management's Corrective Action Plan (Continued)  
 For the Year Ended October 31, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>PRIOR YEAR (10/31/16) --</u>						
<u>Compliance:</u>						
2016-004	2016	The Marshal's office paid attorney fees in advance of services being performed. Attorney fees should only be paid for documented work after the service has been performed.	Yes	The Marshal will only pay fees once services have been performed.	Brian Pope, City Marshal	10/31/2017
2016-005	2016	Total expenditures of the General Fund for the year ended October 31, 2016 exceeded total budgeted expenditures by more than five percent. Louisiana Revised Statute 39:1311(A)(2) states that when total actual expenditures exceed total budgeted expenditures by more than five percent the budget should be amended.	Yes	The Marshal will amend budget when actual expenditures will exceed budgeted expenditures by more than five percent.	Brian Pope, City Marshal	10/31/2017
<u>Management Letter:</u>						
2016-006	2015	The Marshal receives a six percent administrative fee for garnishment collections. Based upon review of the Louisiana Revised Statutes and existing Attorney General Opinions relative to this matter, it is unclear whether this is acceptable practice. It is recommended that the Marshal obtain further guidance from the Attorney General in this matter.	No	The Marshal will request guidance from the Attorney General.	Brian Pope, City Marshal	10/31/2018
2016-007	2016	The Marshal's office paid legal fees associated with his defense of a criminal contempt of court suit. The District Attorney has filed criminal charges against the Marshal for the payment of these fees with public funds. Based upon the opinion of the Marshal's legal counsel, the expenditures are allowable. Therefore, it is unclear whether these are valid public expenditures, which will be determined when the case is settled.	No	The Marshal contacted legal counsel, who believes these charges were allowed to be paid from public funds. The case is pending as of October 31, 2016.	Brian Pope, City Marshal	10/31/2018

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

P. O. Box 82329  
Lafayette, LA 70598

Phone (337) 232-4141  
Fax (337) 232-8660

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

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

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

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

## MANAGEMENT LETTER

Brian Pope, City Marshal  
Lafayette, Louisiana

During our audit of the basic financial statements of the Marshal – City Court of Lafayette Louisiana for the year ended October 31, 2017, we noted the following area in which the operations of the Marshal could be improved.

1. The Marshal receives certain fees established by La. R.S. 13:5807 in the form of direct compensation. Attorney General (“AG”) Opinion 18-0011 issued on January 29, 2018 specifically prohibits the Lafayette Marshal from receiving these fees as direct compensation. We recommend the Marshal cease this practice and seek legal counsel regarding compensation taken prior to the January 29, 2018 AG opinion.
2. The Marshal’s office paid legal fees associated with his defense of a criminal contempt of court suit. The District Attorney has filed charges against the Marshal for the payment of these fees with public funds. Based upon the opinion of the Marshal’s legal counsel, the expenditures are allowable. Therefore, it is unclear whether these fees are valid public expenditures, which will be determined when the case is settled.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

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

Lafayette, Louisiana  
April 17, 2018

**MARSHAL – CITY COURT  
OF LAFAYETTE, LOUISIANA**  
Lafayette, Louisiana

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

Year Ended October 31, 2017

# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

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

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

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

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

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

\* A Professional Accounting Corporation

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

WWW.KCSRCPAS.COM

To the Marshal  
City Court of Lafayette, Louisiana and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the Marshal, City Court of Lafayette, Louisiana 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, regulations and best practices during the year ended October 31, 2017. 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*The Marshal did not have written policies and procedures to address the functions noted above.*

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*The Marshal did not have written policies and procedures to address the functions noted above.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

*The Marshal did not have written policies and procedures to address the functions noted above.*

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

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

*The Marshal did not have written policies and procedures to address the functions noted above.*

**Board (or Finance Committee, if applicable)**

---

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

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

*The Marshal does not have a Board or Finance Committee, and therefore, this procedure is not applicable.*

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

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

*This procedure is not applicable to the Marshal.*

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

*This procedure is not applicable to the Marshal.*

### ***Bank Reconciliations***

---

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

*A listing of client bank accounts and management's representation that listing is complete were obtained.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

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

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

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented on the reconciliations.*

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

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that there were two items outstanding greater than 6 months totaling \$140 on one bank account.*

### ***Collections***

---

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

*A listing of cash collection locations and management's representation that the listing is complete was obtained.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

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

*Review of insurance policy and other written documentation disclosed that two of the three employees responsible for collecting cash are bonded; the cash location has an employee responsible for collecting cash who is also responsible for depositing the cash in the bank; and the cash collection location has an employee responsible for collecting cash who is also responsible for recording the relate transaction.*

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

*The Marshal did not have a formal process to reconcile cash collections.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*Deposits were not being handled within one day for thirty-one out of the forty deposits tested.*

Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

*Daily cash collections were completely supported by sequentially numbered receipts or similar documentation.*

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*There is no process specifically defined to determine the completeness of all collections by a person who is not responsible for collections.*

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

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

*A listing of disbursements and management's representation that the listing is complete was obtained.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*There were ten transactions that did not have a purchase order.*

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

*There were ten transactions that did not have a purchase order.*

c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

*There were ten transactions that did not have a purchase order.*

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

*The entity does not have written documentation that addresses the function above.*

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

*The entity does not have written documentation that addresses the function.*

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

*Inquiry of management indicated that unused check stock is maintained in a locked location with access restricted to those persons that do not have any signatory authority.*

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

*The entity uses a signature machine that is adequately secured and is restricted to authorized personnel only.*

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

---

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

*A listing of active credit cards, bank debit cards, fuel cards and the name of the person who maintains possession of the cards and management's representation that the listing is complete was obtained.*

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

*Two credit cards were randomly selected.*

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*The two credit cards selected did not have evidence that the monthly statement and supporting documents were reviewed and approved in writing by someone other than the cardholder.*

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

*There were no finance charges and/or late fees assessed on any of the cards selected.*

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

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

- An original itemized receipt (i.e., identifies precisely what was purchased)

*No exceptions were noted as a result of applying this procedure.*

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

*Two of the credit cards had one transaction that did not have documentation of the business/public purpose.*

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

*No exceptions were noted as a result of applying this procedure.*

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

*The transaction details could not be compared to written policies and procedures because the Marshal does not have written purchasing/disbursement policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.*

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

*There were no exceptions noted as a result of applying this procedure.*

### ***Travel and Expense Reimbursement***

---

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

*Listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.*

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

*The Marshal did not have written policies related to travel.*

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*There were no exceptions noted as a result of applying this procedure.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*There were no exceptions noted as a result of applying this procedure.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*There were no exceptions noted as a result of applying this procedure.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*There were no exceptions noted as a result of applying this procedure.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*There were no exceptions noted as a result of applying this procedure.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*There were no exceptions noted as a result of applying this procedure.*

### **Contracts**

---

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

*A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete was obtained.*

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

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

*Two of the five contracts for contract labor did not have a formal/written contract that supports the services arrangement and the amount paid.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*There were no instances of noncompliance noted as a result of applying this procedure.*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*There were no instances of noncompliance noted as a result of applying this procedure.*

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

*None of the contracts selected were amended.*

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

*Two of the five contracts for contract labor did not have a formal/written contract that supports the amount paid.*

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

*This procedure is not applicable to the Marshal.*

### ***Payroll and Personnel***

---

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

*This procedure is not applicable to the Marshal per state statute RS 13.1881.*

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

*This procedure is not applicable to the Marshal.*

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

*This procedure is not applicable to the Marshal.*

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*This procedure is not applicable to the Marshal.*

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

*This procedure is not applicable to the Marshal per state statute RS 13.1881.*

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

*This procedure is not applicable to the Marshal per state statute RS 13.1881.*

### ***Ethics (excluding nonprofits)***

---

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*There were no exceptions noted as a result of applying this procedure.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

*Management asserted that there were no allegations during the fiscal period.*

### ***Debt Service (excluding nonprofits)***

---

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

*There were no exceptions noted as a result of applying this procedure.*

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

*There were no exceptions noted as a result of applying this procedure.*

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

*There were no tax millages relating to debt service.*

**Other**

---

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

*Management has asserted that the entity did not have any misappropriations of public funds or assets.*

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

*The entity does have the required notices posted on its premises and website.*

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

*There were no exceptions observed or identified regarding management's representations in the procedures above.*

We were not engaged to perform, and did not perform, an audit, 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 Marshal, City Court of Lafayette, Louisiana 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.

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

Lafayette, Louisiana  
April 17, 2018