

**MARSHAL OF CITY COURT  
OF DENHAM SPRINGS - WARD TWO**

Annual Financial Statements

June 30, 2021



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## Independent Auditor's Report

Mr. Joe Shumate  
Marshal of City Court  
of Denham Springs - Ward Two  
Denham Springs, Louisiana

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), and the budgetary comparison statement of the General Fund of the Marshal of City Court of Denham Springs - Ward Two (the Marshal), a component unit of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2021, and the related notes to 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 audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### LOUISIANA • TEXAS

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Marshal as of June 30, 2021, the respective changes in financial position, and the budgetary comparison for the General Fund 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 required supplementary information under Governmental Accounting Standards Board Statement No. 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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, 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.

Management has omitted the management's discussion and analysis information 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 Accounting Standards Board, who considers it 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 schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), and the justice system funding schedule - receiving entity (Act 87 of the 2020 Regular Legislative Session) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head and the justice system funding schedule - receiving entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the justice system funding schedule - receiving entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the Marshal of City Court of Denham Springs - Ward Two's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Marshal's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Marshal of City Court of Denham Springs - Ward Two's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA  
December 22, 2021

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 134,354
Accounts Receivable	9,838
Net Pension Asset	37,505
Capital Assets (Net of Accumulated Depreciation)	<u>46,731</u>
<b>Total Assets</b>	<u>228,428</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to Pension	<u>16,406</u>
<b>Liabilities</b>	
Accounts Payable	33,193
Accrued Liabilities	9,096
Capital Lease	
Due Within One Year	<u>1,062</u>
<b>Total Liabilities</b>	<u>43,351</u>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows Related to Pension	<u>48,891</u>
<b>Net Position</b>	
Net Investment in Capital Assets	45,669
Unrestricted	<u>106,923</u>
<b>Total Net Position</b>	<u><u>\$ 152,592</u></u>

The accompanying notes are an integral part of these financial statements.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	<b>Governmental Activities</b>
<b>Expenses</b>	
Judicial	\$ 442,393
<b>Program Revenues</b>	
Charges for Services	223,514
Operating Grants and Contributions	264,637
<b>Total Program Revenues</b>	488,151
<b>Net Program Revenues</b>	45,758
<b>General Revenues</b>	
Other Income	2,532
Interest Income	81
<b>Total General Revenues</b>	2,613
<b>Change in Net Position</b>	48,371
<b>Net Position, Beginning of Year</b>	104,221
<b>Net Position, End of Year</b>	\$ 152,592

The accompanying notes are an integral part of these financial statements.



**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUND**

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2021**

	<b>General Fund</b>
<hr/>	
<b>Assets</b>	
Cash and Cash Equivalents	\$ 134,354
Accounts Receivable	<u>9,838</u>
<b>Total Assets</b>	<b><u>\$ 144,192</u></b>
<b>Liabilities</b>	
Accounts Payable	33,193
Accrued Liabilities	<u>9,096</u>
<b>Total Liabilities</b>	<b><u>42,289</u></b>
<b>Fund Balance</b>	
Unassigned	<u>101,903</u>
<b>Total Fund Balance</b>	<b><u>101,903</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 144,192</u></b>

The accompanying notes are an integral part of these financial statements.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**to the Statement of Net Position**  
**Governmental Fund**  
**June 30, 2021**

<b>Fund Balance - Total Governmental Fund</b>	<b>\$ 101,903</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund:</p>	
Governmental Capital Assets	246,753
Less: Accumulated Depreciation	(200,022)
<p>Deferred inflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>	
	(48,891)
<p>Deferred outflows of resources - pension used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental fund.</p>	
	16,406
<p>Long-term assets and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund:</p>	
Net Pension Asset	37,505
Capital Lease Payable	(1,062)
	<u>          </u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 152,592</u></b>

The accompanying notes are an integral part of these financial statements.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2021**

	<b>General Fund</b>
<b>Revenues</b>	
Court Costs and Fees	\$ 223,514
Intergovernmental Revenues	
On-Behalf Payments	27,817
Primary Government - City of Denham Springs	198,606
Livingston Parish Council	36,000
Other Income	2,532
Interest Income	81
<b>Total Revenues</b>	<u>488,550</u>
<b>Expenditures</b>	
Judicial	
Salaries and Payroll Taxes	297,195
Office Expenses	33,860
Auto Expenses	28,474
Retirement	17,968
Telephone	12,079
Rent	10,367
Insurance	10,243
Audit	8,000
Outsource Accounting	6,093
Conventions and Training	4,921
Uniforms	2,098
Legal Expenses	2,000
Advertising	96
Capital Outlay	7,500
Debt Service	1,382
<b>Total Expenditures</b>	<u>442,276</u>
<b>Net Change in Fund Balance</b>	46,274
<b>Fund Balance, Beginning of Year</b>	<u>55,629</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 101,903</u></u>

The accompanying notes are an integral part of these financial statements.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance of the Governmental Fund**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2021**

<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$ 46,274</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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. This is the amount by which depreciation exceeds capital outlay.</p>	(12,407)
<p>Governmental funds report retirement contributions as expenditures, but pension expense on the statement of activities includes the change in net pension liability as well as the change in deferred inflows and outflows related to pensions.</p>	13,122
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position:</p>	
<p>Repayment of Principal on Long-Term Debt</p>	<p><u>1,382</u></p>
<p><b>Change in Net Position of Governmental Activities</b></p>	<p><u><u>\$ 48,371</u></u></p>

The accompanying notes are an integral part of these financial statements.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual - General Fund**  
**For the Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Court Costs and Fees	\$ 278,000	\$ 179,500	\$ 223,514	\$ 44,014
Intergovernmental Revenues -				
On-Behalf Payments	20,000	27,817	27,817	-
Primary Government - City of				
Denham Springs	212,800	198,500	198,606	106
Livingston Parish Council	34,500	81,000	36,000	(45,000)
Other Income	15,100	500	2,532	2,032
Interest Income	100	100	81	(19)
<b>Total Revenues</b>	<b>560,500</b>	<b>487,417</b>	<b>488,550</b>	<b>1,133</b>
<b>Expenditures</b>				
Judicial				
Salaries and Payroll Taxes	324,000	291,817	297,195	(5,378)
Office Expenses	15,000	19,900	33,860	(13,960)
Auto Expenses	38,000	31,000	28,474	2,526
Retirement	27,000	16,000	17,968	(1,968)
Telephone	9,000	9,000	12,079	(3,079)
Rent	6,000	6,000	10,367	(4,367)
Insurance	35,000	24,000	10,243	13,757
Audit	10,000	8,000	8,000	-
Outsource Accounting	6,500	6,500	6,093	407
Conventions and Training	7,500	2,000	4,921	(2,921)
Uniforms	7,700	2,500	2,098	402
Legal	-	-	2,000	(2,000)
Advertising	2,500	1,100	96	1,004
Other	12,300	14,160	-	14,160
Capital Outlay	-	-	7,500	(7,500)
Debt Service	5,000	5,200	1,382	3,818
<b>Total Expenditures</b>	<b>505,500</b>	<b>437,177</b>	<b>442,276</b>	<b>(5,099)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 55,000</b>	<b>\$ 50,240</b>	<b>46,274</b>	<b>\$ (3,966)</b>
<b>Fund Balance, Beginning of Year</b>			<b>55,629</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 101,903</b>	

The accompanying notes are an integral part of these financial statements.

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

The General Fund of the Marshal of City Court of Denham Springs - Ward Two (the Marshal) was created to account for revenues received from the Criminal Docket of the City Court of Denham Springs - Ward Two.

The accounting and reporting policies of the Marshal of City Court of Denham Springs - Ward Two conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute (R.S.) 24.517 and statements issued by the Governmental Accounting Standards Board (GASB).

#### **Financial Reporting Entity**

For reporting purposes, the City of Denham Springs, Louisiana, serves as the financial reporting entity for both the municipality (City of Denham Springs) and for the Ward Two Court System. The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and Council of the City of Denham Springs), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City of Denham Springs for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit;
2. Financial accountability;
  - a. The primary government appoints a voting majority of the potential component unit's governing body and the primary government is able to impose its will on the potential component unit (or)
  - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefits/burden relationship between the primary government and the potential component unit; and
4. Misleading to exclude, which covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Financial Reporting Entity (Continued)**

Based on the previous criteria, City Management has included the Marshal of City Court of Denham Springs - Ward Two as a component unit of the City of Denham Springs. Since the Marshal is an elected official and has certain statutorily defined sources of funds for its own operating and/or capital budget discretion, the funds of the Marshal of City Court of Denham Springs - Ward Two will be discretely presented in the City of Denham Springs' government-wide financial statements for the year ended June 30, 2021.

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

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

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

In the government-wide statement of net position, the governmental activity is reported on a full accrual, economic resource basis.

The government-wide statement of activities reports both the gross and net cost of the Marshal's function. The statement of activities reduces gross expenses by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc.).

The Marshal does not allocate indirect costs.

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

##### **Basic Financial Statements - Fund Financial Statements**

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



# MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (Continued)

#### Basic Financial Statements - Fund Financial Statements (Continued)

The Marshal uses the following fund type:

##### *Governmental Fund*

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Marshal:

1. 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. At June 30, 2021, it was the only fund of the Marshal.

#### **Basis of Accounting and Measurement Focus**

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

1. Accrual - The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Marshal consist principally of intergovernmental revenues and fines and fees for services relating to court filings. Intergovernmental revenues are recorded when earned. Fines and fees for services are recorded when received because they are generally not measurable until actually received.

2. Modified Accrual - The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means that the amount of the transaction can be determined, and available means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Depreciation is not recognized in the governmental fund financial statements.

# MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Office Equipment	5 - 10 Years
Machinery and Equipment	5 Years
Vehicles	5 Years

Depreciation expense amounted to \$19,907 for the year ended June 30, 2021.

#### Budgets and Budgetary Accounting

The proposed budget for the General Fund of the Marshal was adopted on June 1, 2020 for the fiscal year ended June 30, 2021. The budget was amended on June 25, 2021.

#### Accumulated Unpaid Vacation and Sick Pay

The employees of the Marshal are not allowed to accumulate vacation or sick time.

#### Estimates

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

#### Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and/or inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of a net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

All of the Marshal's deferred outflows and inflows of resources on the statement of net position are related to pensions. See Note 5.

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System (the Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### **Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

##### **Fund Balance**

GASB Statement No. 54 redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

*Nonspendable* - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed* - Amounts that can only be used for specific purposes determined by a formal action of the Marshal. These amounts cannot be used for any other purpose unless the Marshal removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

*Assigned* - Amounts that are designated as committed by the Marshal but are not spendable until a budget ordinance is passed.

*Unassigned* - All amounts not included in other spendable classifications.

The details of the fund balances are included in the balance sheet - governmental fund (page 8). As noted above, restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Marshal or the assignment has been changed by the Marshal. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned becomes zero, then assigned and committed fund balances are used in that order.

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### **Cash, Cash Equivalents, and Investments**

Cash includes all amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law, and national banks having their principal offices in Louisiana.

##### **Adopted Accounting Pronouncements**

The GASB issued Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of the guidance did not have a material impact on the Marshal's financial statements.

##### **New Upcoming Accounting Pronouncements**

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 89 to reporting periods beginning after December 15, 2020.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

# MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

## Notes to Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### New Upcoming Accounting Pronouncements (Continued)

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The Statement amends Questions 4.3 and 4.5 of Implementation Guide 201-2. The requirements of this Statement related to the accounting and financial reporting for Internal Revenue Code Section 457 plans are effective June 15, 2021.

### Note 2. Deposits and Investments

At June 30, 2021, the carrying amount of the Marshal's cash and cash equivalents totaled \$134,354 which is stated at cost which approximates market.

*Custodial Credit Risk - Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Marshal's deposits may not be recovered. As of June 30, 2021, none of the Marshal's bank balance of \$151,509 was exposed to custodial credit risk because it was completely insured by the Federal Deposit Insurance Corporation (FDIC).

### Note 3. Changes in Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital Assets Being Depreciated</b>				
Office Equipment	\$ 9,673	\$ -	\$ -	\$ 9,673
Machinery and Equipment	23,654	-	-	23,654
Vehicles	205,926	7,500	-	213,426
<b>Total Capital Assets Being Depreciated</b>	<b>239,253</b>	<b>7,500</b>	<b>-</b>	<b>246,753</b>
<b>Less Accumulated Depreciation for:</b>				
Office Equipment	(8,537)	(1,137)	-	(9,674)
Machinery and Equipment	(14,785)	(2,932)	-	(17,717)
Vehicles	(156,793)	(15,838)	-	(172,631)
<b>Total Accumulated Depreciation</b>	<b>(180,115)</b>	<b>(19,907)</b>	<b>-</b>	<b>(200,022)</b>
<b>Capital Assets - Net</b>	<b>\$ 59,138</b>	<b>\$ (12,407)</b>	<b>\$ -</b>	<b>\$ 46,731</b>

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**

**Notes to Financial Statements**

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**Note 3. Changes in Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

Judicial	<u>\$ 19,907</u>
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**Note 4. Long-Term Liabilities**

**Capital Leases Payable**

The Marshal entered into another capital lease agreement on January 31, 2017 to finance the purchase of a copier. The lease requires monthly payments of principal and interest of \$119 for sixty months with a final payment due March 1, 2022. At June 30, 2021, the book value (net of depreciation) of the copier was \$-0-.

The capital leases payable at June 30, 2021 were as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2021</u>
Capital Lease to Finance the Purchase of a Copier	<u>\$ 6,666</u>	<u>2.90%</u>	03/01/22	<u>\$ 1,062</u>

Capital lease payments to maturity, including interest requirements, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$ 1,062</u>	<u>\$ 15</u>	<u>\$ 1,077</u>
<b>Total</b>	<u>\$ 1,062</u>	<u>\$ 15</u>	<u>\$ 1,077</u>

Long-term liability activity for the year ended June 30, 2021 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Leases Payable	<u>\$ 2,444</u>	<u>\$ -</u>	<u>\$ (1,382)</u>	<u>\$ 1,062</u>

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 5. Pension Plan

##### **Parochial Employees' Retirement System of Louisiana (the System)**

###### **Plan Description and Provisions**

Employees of the Marshal of City Court of Denham Springs - Ward Two may elect to be members of the Parochial Employees' Retirement System of Louisiana - Plan B, a multiple-employer public employee retirement system.

###### **Eligibility Requirements**

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

###### **Retirement Benefits**

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of service.
2. Age 62 with ten (10) years of service.
3. Age 67 with seven (7) years of service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

###### **Survivor Benefits**

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the Plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

**Note 5. Pension Plan (Continued)**

**Parochial Employees' Retirement System of Louisiana (the System) (Continued)**

**Deferred Retirement Option Plan**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System.

In lieu of terminating employment and accepting a service retirement, any member of Plan B who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the DROP, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the DROP will be placed in liquid asset money market investments at the discretion of the board of trustees (the Board). These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts.

The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the State or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

**Disability Benefits**

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007 and has at least five years of creditable service or, if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to 2% of the member's final average compensation multiplied by his years of service, to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.



## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 5. Pension Plan (Continued)

##### **Parochial Employees' Retirement System of Louisiana (the System) (Continued)**

###### **Cost-of-Living Increases**

The board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the board may provide an additional cost-of-living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the board may provide a cost-of-living increase up to 2.5% for retirees 62 and older (R.S. 11: 1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

###### **Employer Contributions**

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 7.39% of member's compensation for Plan B. However, the actual rate for the fiscal year ended December 31, 2020 was 7.50% for Plan B.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$2,811 for the year ended June 30, 2021.

###### **Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the Marshal reported an asset of \$37,505 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and was determined by actuarial valuation as of that date. The Marshal's proportion of the net pension asset was based on a projection of the Marshal's long-term share of contributions to the pension plan relative to the projected contributions of all entities, actuarially determined. At December 31, 2020, the Marshal's proportion was 0.146090%.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**

**Notes to Financial Statements**

**Note 5. Pension Plan (Continued)**

**Parochial Employees' Retirement System of Louisiana (the System) (Continued)**

**Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2021, the Marshal recognized pension expense of \$14,025. At June 30, 2021, the Marshal reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 2,379	\$ 1,076
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	44,325
Changes in Proportion	275	3,490
Changes in Assumptions	6,423	-
Marshal Contributions Subsequent to the Measurement Date	7,329	-
<b>Total</b>	<b><u>\$ 16,406</u></b>	<b><u>\$ 48,891</u></b>

In the year ending June 30, 2021, \$7,329 reported as deferred outflows of resources related to pensions resulting from the Marshal's contributions subsequent to the measurement date will be recognized. Other amounts reported as deferred inflows of resources and deferred outflows of resources will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2022	\$ (12,121)
2023	(4,439)
2024	(15,904)
2025	<u>(7,350)</u>
<b>Total</b>	<b><u>\$ (39,814)</u></b>

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

Notes to Financial Statements

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Note 5. Pension Plan (Continued)

**Parochial Employees' Retirement System of Louisiana (the System) (Continued)**

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the net pension asset as of December 31, 2020 is as follows:

Valuation Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal
Investment Return	6.40% (Net of Investment Expense)
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.25% (1.95% Merit/2.30% Inflation)
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2021 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

# MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

## Notes to Financial Statements

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### Note 5. Pension Plan (Continued)

#### Parochial Employees' Retirement System of Louisiana (the System) (Continued)

##### **Actuarial Assumptions (Continued)**

The discount rate used to measure the total pension asset was 6.40% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the board of trustees and the Public Retirement System's Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.00% for the year ended December 31, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Fixed Income	33%	0.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real Assets	2%	0.11%
	<u>100%</u>	<u>5.00%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Normal Return		<u>7.00%</u>

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 5. Pension Plan (Continued)

##### Parochial Employees' Retirement System of Louisiana (the System) (Continued)

###### Sensitivity to Changes in Discount Rate

The following table presents the net pension asset of the Marshal using the discount rate of 6.40% as well as what the asset would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Marshal's Proportionate Share of the Net Pension Asset (Liability)	\$ (35,062)	\$ 37,505	\$ 98,145

#### Note 6. On-Behalf Payments for Salaries and Benefits

The Marshal follows GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This Statement requires the Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana, the City Court of Denham Springs - Ward Two, and the Livingston Parish Council. These payments were made directly to the Marshal and its employees.

The Marshal is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by each of the entities to the Marshal and its employees.

For the fiscal year ended June 30, 2021, state supplemental payments to the Marshal and its employees amounted to \$27,817.

#### Note 7. Risk Management

The Marshal is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Marshal has obtained liability insurance for the deputies and other supporting staff, as well as for employee dishonesty. Losses associated with the destruction of or damage to assets are covered through the City of Denham Springs.

## MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

### Notes to Financial Statements

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#### Note 8. Contingency

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Marshal operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Marshal.

**REQUIRED SUPPLEMENTARY INFORMATION  
UNDER GASB STATEMENT NO. 68**

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Schedule of the Marshal's Proportionate Share of the**  
**Net Pension Liability (Asset)**  
**For the Year Ended June 30, 2021**

	2021	2020	2019	2018	2017	2016	2015
Marshal's Portion of the Net Pension Liability (Asset)	0.146090%	0.198713%	0.225333%	0.144935%	0.188560%	0.228810%	0.304830%
Marshal's Proportionate Share of the Net Pension Liability (Asset)	\$ (37,505)	\$ (14,376)	\$ 60,877	\$ (18,036)	\$ 24,469	\$ 40,739	\$ 827
Marshal's Covered-Employee Payroll	\$ 167,317	\$ 220,780	\$ 235,737	\$ 146,976	\$ 155,960	\$ 272,908	\$ 282,454
Marshal's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-22.42%	-6.51%	25.82%	-12.27%	15.69%	14.93%	0.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	106.76%	102.04%	91.93%	104.00%	95.50%	93.47%	99.89%

GASB 68 requires this schedule to show information for 10 years. Additional years will be displayed as they become available.



**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Schedule of the Marshal's Contributions**  
**For the Year Ended June 30, 2021**

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 14,025	\$ 14,217	\$ 17,502	\$ 14,869	\$ 12,557	\$ 16,695	\$ 25,244
Contributions in Relation to the Contractually Required Contribution	(14,025)	(14,217)	(17,502)	(14,869)	(12,557)	(16,695)	(25,244)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marshal's Covered-Employee Payroll	\$ 187,006	\$ 189,567	\$ 233,360	\$ 192,836	\$ 156,960	\$ 185,800	\$ 272,908
Contributions as a Percentage of Covered-Employee Payroll	7.50%	7.50%	7.50%	7.72%	8.01%	8.99%	9.25%

GASB 68 requires this schedule to show information for 10 years. Additional years will be displayed as they become available.

## **OTHER SUPPLEMENTARY INFORMATION**

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Agency Head**  
**For the Year Ended June 30, 2021**

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**Agency Head**  
 Joe Shumate, Marshal

<b>Purpose</b>	<b>Amount</b>
Salary	\$78,306
Supplemental Wages - Paid by State	\$0
Benefits - Insurance	\$11,591
Benefits - Retirement	\$6,985
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government *	\$0
Per Diem	\$0
Reimbursements	\$4,827
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

\* The Marshal is assigned a take-home vehicle; however, no amount is considered taxable under the IRS rules for vehicles provided to Law Enforcement Officers.

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Schedule as Required by Act 87 of the 2020 Regular Legislative Session**  
**Justice System Funding Schedule - Receiving Entity Cash Basis Presentation**  
**For the Six-Month Periods Ended December 31, 2020 and June 30, 2021**

	<b>First Six- Month Period Ended 12/31/2020</b>	<b>Second Six- Month Period Ended 6/30/2021</b>
<b>Receipts from:</b>		
Ward II City Court, Criminal Court Costs/Fees	\$ 83,188	\$ 108,938
Ward II City Court, Civil Fees	10,055	11,597
<b>Subtotal Receipts</b>	<u>\$ 93,243</u>	<u>\$ 120,535</u>
<b>Ending Balance of Amounts Assessed but not Received</b>	<u>\$ -</u>	<u>\$ -</u>

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

Independent Auditor's Report

Mr. Joe Shumate  
Marshal of City Court  
of Denham Springs - Ward Two  
Denham Springs, Louisiana

We have audited, 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, the financial statements of the governmental activities, the major fund (General Fund), and the budgetary comparison statement of the General Fund of the Marshal of City Court of Denham Springs - Ward Two (the Marshal), a component unit of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Marshal of City Court of Denham Springs - Ward Two's basic financial statements, and have issued our report thereon dated December 22, 2021.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the Marshal of City Court of Denham Springs - Ward Two's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **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 Marshal'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 Marshal's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA  
December 22, 2021

**MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO**  
**Schedule of Findings and Reponses**  
**For the Year Ended June 30, 2021**

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**Section I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	None
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	None Reported

Federal Awards

Not Applicable.

**Section II. Financial Statement Findings**

None