

WARD THREE MARSHAL –  
CITY OF LAKE CHARLES, LOUISIANA

ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 2020

## CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3-5
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	6-10
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of net position	13
Statement of activities	14
FUND FINANCIAL STATEMENTS	
Balance sheet-governmental funds	17
Reconciliation of the balance sheet-Governmental Funds to the statement of net position	18
Statement of revenues, expenditures, and changes in fund balances-governmental funds	19
Reconciliation of the statement of revenues, expenditures, and changes in fund balances-governmental funds to the statement of activities	20
Statement of fiduciary net position	21
Statement of changes in fiduciary net position	22
NOTES TO BASIC FINANCIAL STATEMENTS	23-30
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule	32
Justice System Funding Schedule – Collecting/Disbursing Entity	33
Justice System Funding Schedule – Receiving Entity	34
OTHER INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	36
INDEPENDENT AUDITORS' 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>	37-38
SCHEDULE OF FINDINGS AND RESPONSES	39

INDEPENDENT AUDITORS' REPORT

April 1, 2021

Honorable Nathan Keller  
Ward Three Marshal - City of Lake Charles, Louisiana  
Lake Charles, 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 Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 2020, 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.

***Auditors' Responsibility***

Our responsibility is to express opinions on these basic 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 basic financial statements are free of 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 auditors' 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 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 Ward Three Marshal as of December 31, 2020, and the respective changes in financial position for the year then ended in conformity 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 management's discussion and analysis, the budgetary comparison schedule, justice system funding schedules on pages 6-10 and 32-34, respectively 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 the 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 principally 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ward Three Marshal's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer on page 36 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer is fairly stated, in all material respects, in relation to the 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 April 1, 2021, on our consideration of the Ward Three Marshal's internal control over financial reporting and our tests 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 the 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 Ward Three Marshal's internal control over financial reporting and compliance.

*Dragson, Casiday: Hillory*

## WARD THREE MARSHAL - CITY OF LAKE CHARLES

### Management's Discussion and Analysis

Within this section of the Ward Three Marshal – City of Lake Charles, LA's (Marshal) annual financial report, the Marshal's management is pleased to provide this narrative discussion and analysis of the financial activities of the Marshal for the years ended December 31, 2020 and 2019. The Marshal's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

#### FINANCIAL HIGHLIGHTS

- The Marshal's assets exceeded its liabilities by \$408,439 and \$643,296 (net position) at December 31, 2020 and 2019 respectively.
- Total 2020 revenues of \$971,809 where less than total 2020 expenditures of \$1,206,665, which resulted in a current year deficit of \$234,856. Total 2019 revenues of \$1,173,879 were less than total 2019 expenses of \$1,273,324, which resulted in a prior year deficit of \$99,445.
- Total net position is comprised of the following:
  1. Net investment in capital assets of \$101,183 and \$89,849 respectively include equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase or construction of capital assets.
  2. Unrestricted net position of \$307,256 and \$553,447 at December 31, 2019 and 2018 respectively represents the portion available to maintain the Marshal's continuing obligations to creditors.
- At the end of the current year, unrestricted net position was 25% of total expenses and 32% of total revenues. At the end of the prior year, unrestricted net position was 43% of total expenses and 47% of total revenues.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

#### OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Marshal's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Marshal also includes in this report additional information to supplement the basic financial statements.

## WARD THREE MARSHAL – CITY OF LAKE CHARLES

### Management's Discussion and Analysis (Continued)

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Marshal's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Marshal's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Marshal's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Marshal as a whole is improving or deteriorating. Evaluation of the overall health of the Marshal would extend to information other than the financial information provided in this report, such as diversification of the revenue base.

The second government-wide statement is the *Statement of Activities*, which reports how the Marshal's net position changed during the current and previous fiscal year. All revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Marshal's distinct activities or functions on revenues provided.

Both government-wide financial statements distinguish governmental activities of the Marshal that are principally supported by other revenues and from activities that are intended to recover all or a significant portion of their costs through user fees and charges.

#### FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Marshal uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Marshal's most significant funds rather than the Marshal as a whole.

The Marshal has one kind of fund:

*Governmental fund* is reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Marshal's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

WARD THREE MARSHAL – CITY OF LAKE CHARLES

Management’s Discussion and Analysis (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Marshal’s budget presentations. Budgetary comparison statements are included as “required supplemental information” for the general fund. This schedule demonstrates compliance with the Marshal’s adopted budget. A schedule of compensation is also included as “other information.” This schedule details the amounts paid during the year to the agency head.

FINANCIAL ANALYSIS OF THE MARSHAL AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Marshal as a whole.

The Marshal’s net position is \$408,439 and \$643,296 at December 31, 2020 and 2019 respectively. The following table provides a summary of the Marshal’s net position:

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets	\$ 308,672	\$ 561,594
Capital assets, net	<u>101,183</u>	<u>89,849</u>
Total assets	<u>\$ 409,855</u>	<u>\$ 651,443</u>
Deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>
Liabilities:		
Current liabilities	<u>\$ 1,416</u>	<u>\$ 8,147</u>
Deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>
Net position:		
Net investment in capital assets	\$ 101,183	\$ 89,849
Unrestricted	<u>307,256</u>	<u>553,447</u>
Total net position	<u>\$ 408,439</u>	<u>\$ 643,296</u>

## WARD THREE MARSHAL – CITY OF LAKE CHARLES

### Management's Discussion and Analysis (Continued)

The Marshal continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 218 to 1 and 69 to 1 respectively. Net position decreased by \$234,856 for the current year and decreased by \$99,445 for the prior year. Note that approximately 25% of the net position is tied up in capital. The Marshal uses these capital assets to provide services to its recipients.

The following table provides a summary of the Marshal's changes in net position:

	<u>2019</u>	<u>2019</u>
Revenues	\$ 971,809	\$ 1,173,879
Expenses	<u>1,206,665</u>	<u>1,273,324</u>
Change in Net Position	(234,856)	(99,445)
Beginning Net Position	<u>643,296</u>	<u>742,741</u>
Ending Net Position	<u>\$ 408,440</u>	<u>\$ 643,296</u>

### Governmental Revenues

The Marshal is heavily reliant on court fees to support its operations. Court fees provided 9% and 18% of the Marshal's total revenues for December 31, 2020 and 2019, respectively.

### Governmental Functional Expenses

The total function of the Marshal's office is public safety activities as well as executing orders and serving subpoenas of the City Court. Of the total cost, depreciation on the equipment, vehicles and buildings was \$27,985 or 2.3% of total expenses for the current year and \$31,899 or 2.5% of total expenses for the preceding year, respectively.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital assets

The Marshal's net investment in capital assets as of December 31, 2020 and 2019, was \$101,183 and \$89,849 respectively. See Note B for additional information about changes in capital assets during the year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

## WARD THREE MARSHAL – CITY OF LAKE CHARLES

### Management's Discussion and Analysis (Continued)

#### CAPITAL ASSETS AND DEBT ADMINISTRATION-Continued

	<u>2020</u>	<u>2019</u>
Non-depreciable assets:		
Land	\$ -	\$ -
Depreciable assets:		
Automobiles	399,517	399,517
Furniture and fixtures	13,763	13,763
Equipment	266,467	227,149
Buildings and improvements	<u>42,268</u>	<u>42,268</u>
Total	722,015	682,697
Less accumulated depreciation	<u>620,832</u>	<u>592,848</u>
Book value-depreciable assets	<u>\$ 101,183</u>	<u>\$ 89,849</u>
Percentage depreciated	<u>86.0%</u>	<u>86.8%</u>
Book value-all assets	<u>\$ 101,183</u>	<u>\$ 89,849</u>

#### Long-term debt

At the end of both years, the Marshal had no debt.

#### BUDGETARY HIGHLIGHTS

The actual revenues were more than the less than budget by \$115,491, or 11.9%, mainly due to court fees, intergovernmental revenues and House Bill 315 revenues. The actual expenditures were more than the budgeted expenditures by \$83,169, or 7.0%, mainly due to wages.

#### ECONOMIC CONDITIONS AFFECTING THE MARSHAL

Since the primary revenue stream for the Marshal is court fees, the Marshal's revenues are subject to changes in the court system.

#### CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Marshal's finances, comply with finance-related laws and regulations, and demonstrate the Marshal's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Marshal, Vic Salvador, P.O. Box 1785 Lake Charles, LA 70602.

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF NET POSITION

December 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 295,594
Receivables - court fees	13,078
Receivables - other	-
Capital assets, net of accumulated depreciation	101,183
<b>TOTAL ASSETS</b>	<u>\$ 409,855</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>\$ -</u>
<b>LIABILITIES</b>	
Accounts payable	\$ -
Accrued liabilities	1,416
<b>TOTAL LIABILITIES</b>	<u>\$ 1,416</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>\$ -</u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 101,183
Unrestricted	307,256
<b>TOTAL NET POSITION</b>	<u>\$ 408,439</u>

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

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public safety	<u>\$ 1,206,665</u>	<u>\$ 971,809</u>	<u>\$ -</u>	<u>\$ (234,856)</u>
Changes in Net Position				\$ (234,856)
Net Position - Beginning				<u>643,296</u>
Net Position - Ending				<u>\$ 408,440</u>

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

FUND FINANCIAL STATEMENTS

## MAJOR FUND DESCRIPTIONS

### General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

	<u>General</u>
<b>ASSETS</b>	
Cash	\$ 295,594
Receivables - court fees	13,078
Receivables - other	<u>-</u>
<b>TOTAL ASSETS</b>	<u>308,672</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u><u>\$ 308,672</u></u>
<b>LIABILITIES</b>	
Accounts payable	-
Accrued liabilities	<u>1,416</u>
<b>TOTAL LIABILITIES</b>	<u>1,416</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	<u>-</u>
<b>FUND BALANCES</b>	
Unassigned	<u>307,256</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<u><u>\$ 308,672</u></u>

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

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

December 31, 2020

Total fund balance for governmental fund at December 31, 2020	\$ 307,256
---	------------

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:

Capital assets, net of \$620,832 accumulated depreciation	<u>101,183</u>
---	----------------

Total net position of governmental activities at December 31, 2020	<u><u>\$ 408,439</u></u>
--	--------------------------

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

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended December 31, 2020

	<u>General</u>
REVENUES	
Court fees	\$ 89,771
Intergovernmental	559,694
Commission from fiduciary activities	60,331
Reserve	146,483
Citations	2,310
House Bill 315	113,213
Bank interest	<u>7</u>
Total revenues	<u>971,809</u>
EXPENDITURES	
General Government	
Advertising	6,742
Automobile	17,897
Contract labor	169,178
Covid-19 expenses	22,331
Dues and subscriptions	6,024
Legal and professional	227
Miscellaneous	242
Office supplies	19,284
Payroll taxes	19,101
Rent	2,599
Retirement	29,536
Salaries - supplemental	89,200
Telephone	28,665
Uniforms	3,974
Wages	725,200
House Bill 315	
Training	6,329
Uniforms	9,402
Per Diem	4,325
Lodging	2,330
Supplies and Maintenance	11,495
Intergovernmental	4,600
Capital Outlay	<u>39,319</u>
Total expenditures	<u>1,218,000</u>
NET CHANGES IN FUND BALANCE	(246,191)
FUND BALANCE - BEGINNING	<u>553,447</u>
FUND BALANCE - ENDING	<u><u>\$ 307,256</u></u>

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

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES

Year Ended December 31, 2020

Total net changes in fund balance at December 31, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$ (246,191)
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 the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	39,319	
Depreciation expense for the year ended December 31, 2020		<u>(27,985)</u>	<u>11,334</u>
Total changes in net position at December 31, 2020 per Statement of Activities			<u>\$ (234,857)</u>

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

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2020

ASSETS	
Cash	\$ 22,273
Total Assets	<u>\$ 22,273</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>\$ -</u>
LIABILITIES	
Due to others	\$ 22,273
Due to other funds	-
Total Liabilities	<u>\$ 22,273</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>\$ -</u>
NET POSITION	
Unrestricted	<u>\$ -</u>
Total Net Position	<u>\$ -</u>

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

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2020

REVENUES	
Garnishments	\$ 949,715
Cash appearance bonds	-
Fines and costs	-
Suits, sales, seizures, etc.	-
Interest income	6
Total revenues	<u>949,721</u>
EXPENSES	
Remittance of seizures, bond forfeitures, fines and cost:	
General Fund	-
Attorneys	528,507
Other	421,214
Refunds - cash bonds	-
Total expenses	<u>949,721</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Louisiana State Statute, the Marshal serves a six-year term as the chief executive officer of the City Court of Lake Charles, LA. The Marshal's responsibilities include executing the orders and mandates and serving subpoenas of the City Court as well as enforcing state and local laws and ordinances within the territorial boundaries of Ward Three of Calcasieu Parish, Louisiana. The Marshal also collects and disburses garnishments of wages, cash bonds, and installment payments of fines under orders of the City Court.

Much of the operations of the Marshal's Office are funded by the City of Lake Charles. The City pays the salaries of the regular deputy marshals, funds most of the operating expenditures, and provides the Marshal with office space. Such expenditures are included in the general fund, of the City of Lake Charles, LA and are not included in these component unit financial statements. These financial statements include expenditures funded from other sources such as court fees, intergovernmental revenues, and fees from fiduciary activities. Also included in these financials are certain agency funds that are maintained by the Marshal.

The financial statements of the Ward Three Marshal have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The more significant of the government's accounting policies are described below.

1. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Ward Three Marshal includes all funds, account groups, et cetera, that are within the oversight responsibility of the Ward Three Marshal.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Lake Charles, LA for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the City of Lake Charles, LA to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits or to impose specific financial burden on the City of Lake Charles, LA.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Organizations for which the City of Lake Charles, LA. does not appoint a voting majority but are fiscally dependent on the City of Lake Charles, LA.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City of Lake Charles, LA financial statements would be misleading if data of the Ward Three Marshal was not included and due to the nature and significance of the relationship, the Marshal was determined to be a component unit of the City of Lake Charles, LA., the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City of Lake Charles, LA., the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. BASIS OF PRESENTATION

The accompanying basic financial statements of the Ward Three 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Marshal as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Marshal's governmental activities and business-type 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 (a) fees and charges paid by the recipients of services offered by the Marshal, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Marshal 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 on 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 and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Marshal reports the following major fund:

The General Fund is the primary operating fund of the Marshal. It accounts for all financial resources except those that are required to be accounted for in other funds.

3. 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.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

4. BUDGET PRACTICES

Formal budgeting integration is employed as a management control device during the year for the general fund. These budgets are adopted on a basis consistent with generally accepted accounting principles.

5. CASH

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2020, the Marshal has \$368,651 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. The Marshal maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	40 years
Automobiles	5-7 years
Equipment	5-7 years
Furniture and fixtures	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

7. EQUITY CLASSIFICATION

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

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

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as assigned and unassigned. Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- a. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal actions.
- b. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Marshal considers the restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Marshal considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

8. REVENUES, EXPENDITURES, AND EXPENSES

Revenue. Court fees and intergovernmental revenue are received in the month following collection by the City Court. The Marshal recognizes court fee revenue and intergovernmental revenue during the month they are collected by the City Court. The Marshal recognizes fees from fiduciary activities in the period such fees are collected.

Expenditures. Salaries are recorded when paid. Purchases of capital assets and other goods and services are recorded when those goods or services have been delivered. Principal and interest on general long-term obligations are recognized when due.

9. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 1, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Marshal's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. The full extent of effects on Marshal's operations have not been determined.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11.COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Marshal's financial position and operations.

12. BUDGET

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. On or before the end of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Expenditures may not legally exceed budgeted appropriations at the activity level.

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2020 follows:

	Balance at Beginning of Period	Additions	Retirements	Balance at End of Period
Automobiles	\$ 399,517	\$ -	\$ -	\$ 399,517
Furniture and fixtures	13,763	-	-	13,763
Equipment	227,149	39,319	-	266,468
Buildings and improvements	<u>42,268</u>	<u>-</u>	<u>-</u>	<u>42,268</u>
	682,697	39,319	-	722,016
Less accumulated depreciation:				
Automobile	374,422	14,425	-	388,847
Furniture and fixtures	13,751	11	-	13,762
Equipment	198,369	12,492	-	210,861
Buildings and improvements	<u>6,306</u>	<u>1,057</u>	<u>-</u>	<u>7,363</u>
	<u>592,848</u>	<u>27,985</u>	<u>-</u>	<u>620,833</u>
	<u>\$ 89,849</u>	<u>\$ 11,334</u>	<u>\$ -</u>	<u>\$ 101,183</u>

Depreciation expense for the year was \$27,985.

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE C – CHANGES IN AGENCY FUND DUE TO OTHERS

A summary of changes in agency fund due to others for the year ended December 31, 2020, is as follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Disbursements</u>	<u>Balance at End of Period</u>
Garnishments funds	\$ 806	\$ 949,715	\$ (936,019)	\$ 14,502
Bonds fund	5,087	-	-	5,087
Seizures fund	2,684	4,062	(4,062)	2,684
Violations fund	-	-	-	-
	<u>\$ 8,577</u>	<u>\$ 1,040,821</u>	<u>\$ (1,027,125)</u>	<u>\$ 22,273</u>

NOTE D - COMMISSIONS

In accordance with state statute, the Marshal receives a commission of six percent of garnishments and other collections related to orders of the City Court as part of his compensation. The Marshal also receives six percent of the proceeds of sales of seized property as part of his compensation. During the year ended December 31, 2020, commissions paid to the Marshal from the related agency funds totaled \$60,331.

NOTE E - COMMITMENTS AND CONTINGENCIES

The Marshal is covered for substantially all business risks under the risk management programs of the City of Lake Charles, LA.

NOTE F - ON-BEHALF PAYMENTS

Included in intergovernmental revenue is \$559,694 of wages paid to Marshal employees by the City of Lake Charles. These wages are included as expenditures on the Marshal's statement of revenue, expenditures, and changes in fund balances.

REQUIRED SUPPLEMENTARY INFORMATION

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Court fees	\$ 387,300	\$ 387,300	\$ 89,771	\$ (297,529)
Intergovernmental	400,000	400,000	559,694	159,694
Commission from fiduciary activities	90,000	90,000	60,331	(29,669)
Reserve	210,000	210,000	146,483	(63,517)
Citations	-	-	2,310	2,310
House Bill 315	-	-	113,213	113,213
Bank interest	-	-	7	7
Total revenues	<u>1,087,300</u>	<u>1,087,300</u>	<u>971,809</u>	<u>(115,491)</u>
<b>EXPENDITURES</b>				
General Government				
Advertising	-	-	6,742	(6,742)
Automobile	97,900	97,900	17,897	80,003
Contract labor	190,000	190,000	169,178	20,822
Covid-19 expenses	-	-	22,331	(22,331)
Dues and subscriptions	9,000	9,000	6,024	2,976
Law enforcement supplies	35,000	35,000	-	35,000
Legal and professional	9,000	9,000	227	8,773
Miscellaneous	-	-	242	(242)
Office supplies	20,000	20,000	19,284	716
Payroll taxes	56,000	56,000	19,101	36,899
Rent	3,600	3,600	2,599	1,001
Retirement	-	-	29,536	(29,536)
Repairs and maintenance	9,000	9,000	-	9,000
Salaries - supplemental	90,000	90,000	89,200	800
Telephone	8,000	8,000	28,665	(20,665)
Uniforms	-	-	3,974	(3,974)
Wages	540,000	540,000	725,200	(185,200)
House Bill 315				
Training	25,000	25,000	6,329	18,671
Uniforms	15,000	15,000	9,402	5,598
Per Diem	-	-	4,325	(4,325)
Lodging	-	-	2,330	(2,330)
Supplies and Maintenance	-	-	11,495	(11,495)
Intergovernmental	5,000	5,000	4,600	400
Capital Outlay	-	-	39,319	(39,319)
Total expenditures	<u>1,112,500</u>	<u>1,112,500</u>	<u>1,218,000</u>	<u>(105,500)</u>
NET CHANGES IN FUND BALANCE	(25,200)	(25,200)	(246,191)	(220,991)
FUND BALANCE - BEGINNING	<u>553,447</u>	<u>553,447</u>	<u>553,447</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 528,247</u>	<u>\$ 528,247</u>	<u>\$ 307,256</u>	<u>\$ (220,991)</u>

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended December 31, 2020

	First Six Month Period Ended June 30, 2020	Second Six Month Period Ended December 31, 2020
<b>Cash Presentation</b>		
<b>Beginning Balance of Amounts Collected</b>	\$ 8,577	\$ 10,077
<b>Add: Collections</b>		
Civil Fees	557,907	391,808
Bond Fees	-	-
Asset Forfeiture/Sale	1,306	2,769
<b>Subtotal Collections</b>	<u>559,213</u>	<u>394,577</u>
<b>Less: Disbursements To Governments &amp; Nonprofits</b>		
Civil Fees	-	-
Bond Fees	-	-
Lake Charels Ward 3 City Court - Asset Forfeiture/Sale	1,306	2,756
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	32,705	22,754
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Payments to 3rd Party Collection/Processing Agencies	523,702	356,871
<b>Subtotal Disbursements/Retainage</b>	<u>557,713</u>	<u>382,381</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>\$ 10,077</u>	<u>\$ 22,273</u>
Ending Balance of "Partial Payments" Collected but not Disbursed	2,306	14,502
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	-	-

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended December 31, 2020

<b>Cash Presentation</b>	<u>First Six Month Period Ended June 30, 2020</u>	<u>Second Six Month Period Ended December 31, 2020</u>
<b>Receipts From:</b>		
City of Crowley/Civil Fees	277	132
Lake Charles Ward 3 City Court - Civil Fees	76,220	66,858
Lake Charles Ward 3 City Court - Criminal Fines - Other	<u>5,950</u>	<u>3,600</u>
<b>Subtotal Receipts</b>	82,447	70,590
<b>Ending Balance of Amounts Assessed but Not Received</b>	-	12,518

## OTHER INFORMATION

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Year Ended December 31, 2020

Agency Head Name: Victor Salvador

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 143,561
Benefits – Insurance	-
Benefits – Retirement	29,535
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Continuing Professional Education Fees	-
Unvouchered Expenses	-
Special Meals	-

INDEPENDENT AUDITORS' 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*

April 1, 2021

Honorable Nathan Keller  
Ward Three Marshal — City of Lake Charles, Louisiana  
Lake Charles, LA

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 Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Ward Three Marshal's basic financial statements, and have issued our report thereon dated April 1, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ward Three 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ward Three Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ward Three Marshal's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

### **Compliance and Other Matters**

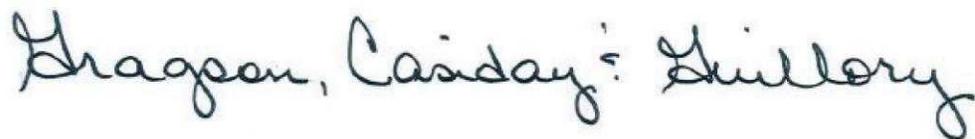
As part of obtaining reasonable assurance about whether the Ward Three Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses.

### **The Ward Three Marshal's Responses to Findings**

The Ward Three Marshal's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Ward Three Marshal's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Shagron, Cassidy: Skully

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

December 31, 2020

1. Summary of Auditors' Results:

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Control deficiency(s) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

**Finding 2019-01: Budgetary Authority and Control**

Condition: Inadequate budgeting procedures resulted in actual revenues being under budget by more than 5% and actual expenditures being over budget by 5% or more and an amended budget was not performed.

Criteria: Inadequate budgeting procedures.

Effect: Violation of Louisiana Revised Statute 39:1310.

Cause: Administrative lack of oversight.

Recommendation: The Marshal's office should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/Management Response: The Marshal's office agrees with the finding and will implement the recommendations.

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

**Finding 2018-01: Budgetary Authority and Control**

Corrective Action Taken: None, repeat finding in 2020.