

SHREVEPORT CITY MARSHAL

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

December 25, 2022

**Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana**

SHREVEPORT CITY MARSHAL

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Shreveport City Marshal
City of Shreveport
Shreveport, Louisiana

Opinion

I have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of Shreveport City Marshal, a component unit of the City of Shreveport, as of and for the year ended December 25, 2022, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements as listed in the table of contents.

In my 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 fiduciary funds of Shreveport City Marshal as of December 25, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Shreveport City Marshal's basic financial statements. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information 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*, I have also issued my report dated May 23, 2023 on my consideration of Shreveport City Marshal's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shreveport City Marshal's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated May 23, 2023 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant
May 23, 2023

**SHREVEPORT CITY MARSHAL
1244 TEXAS AVENUE
SHREVEPORT, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Shreveport City Marshal's (hereafter referred to as the City Marshal) annual financial report presents an overview and analysis of the City Marshal's financial activities for the year ended December 25, 2022. The intent of the MD&A is to look at the City Marshal's financial performance as a whole. It should therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the City Marshal's operations.

Financial Highlights

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

A summary of the basic government-wide financial statements as of December 25, is as follows:

Summary of Statement of Net Position

| | <u>2022</u> | Restated (Note 8) <u>2021</u> |
|--|----------------------------|-------------------------------------|
| ASSETS: | | |
| Current Assets | \$ 916,625 | \$ 769,288 |
| Capital Assets, Net of Accumulated Depreciation | <u>1,171,928</u> | <u>1,328,101</u> |
| Total Assets | <u>2,088,553</u> | <u>2,097,389</u> |
| LIABILITIES: | | |
| Accounts Payable | <u>48,291</u> | <u>19,229</u> |
| Total Liabilities | <u>48,291</u> | <u>19,229</u> |
| NET POSITION: | | |
| Net Investment in Capital Assets | 1,171,928 | 1,328,701 |
| Unrestricted | <u>868,334</u> | <u>749,459</u> |
| Total Net Position | <u><u>\$ 2,040,262</u></u> | <u><u>\$ 2,078,160</u></u> |

Summary of Statement of Activities

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|---------------------------|---------------------------|
| REVENUES: | | |
| Charges for Services | \$ 897,943 | \$ 750,215 |
| On-Behalf Payments-City of Shreveport | 2,542,416 | 2,379,868 |
| Miscellaneous | <u>3,446</u> | <u>2,689</u> |
| Total Revenues | <u>3,443,805</u> | <u>3,132,772</u> |
| EXPENSES: | | |
| Operating Expenses | 939,287 | 822,891 |
| On-Behalf Payments-City of Shreveport | <u>2,542,416</u> | <u>2,379,868</u> |
| Total Expenses | <u>3,481,703</u> | <u>3,202,759</u> |
| Change in Net Position | <u><u>\$ (37,898)</u></u> | <u><u>\$ (69,987)</u></u> |

- The City Marshal's assets exceeded its liabilities by \$2,040,262. This is a decrease of \$37,898. from the prior year.

- Unrestricted fund balance in the governmental funds increased by \$118,275 from the prior year.

General Fund Budgetary Highlights

Revenues were over budget by \$13,492 and expenditures were over budget by \$32,813.

Economic Factors and Next Year's Budget

The City Marshal considered many factors when setting the budget for 2023. Revenues are expected to remain constant.

Contacting the City Marshal

This financial report is designed to provide our citizens and creditors with a general overview of the City Marshal's finances and to show the City Marshal's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to James Jefferson, City Marshal, 1244 Texas Street, Shreveport, LA 71101.

SHREVEPORT CITY MARSHAL

Statement of Net Position

December 25, 2022

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 916,625 |
| Capital assets - net of accumulated depreciation | <u>1,171,928</u> |
| Total Assets | <u>2,088,553</u> |
| Deferred Outflow of Resources | |
| | <u>-</u> |
| Liabilities | |
| Accounts payable | <u>48,291</u> |
| Total Liabilities | <u>48,291</u> |
| Deferred Inflows of Resources | |
| | <u>-</u> |
| Net Position | |
| Invested in capital assets, net of related debt | 1,171,928 |
| Unrestricted | <u>868,334</u> |
| Net Position | <u><u>\$ 2,040,262</u></u> |

The notes to the financial statements are an integral part of this statement.

SHREVEPORT CITY MARSHAL
Statement of Activities
For the Year Ended December 25, 2022

| | <u>Expenses</u> | <u>Program Revenues Fees, Fines, and Charges for Services</u> | <u>Operating Contributions</u> | <u>Net (Expense) Revenue and Changes in Net Position Total</u> |
|---|---------------------|---|------------------------------------|---|
| Governmental Activities: | | | | |
| General Government | \$ 3,481,703 | \$ 897,943 | \$ 2,542,416 | \$ (41,344) |
| Total Governmental Activities | <u>\$ 3,481,703</u> | <u>\$ 897,943</u> | <u>\$ 2,542,416</u> | (41,344) |
| General Revenues: | | | | |
| Interest Income | | | | 3,446 |
| Total General Revenues | | | | <u>3,446</u> |
| Change in Net Position | | | | (37,898) |
| Net Position, beginning of year (Restated) (Note 7) | | | | <u>2,078,160</u> |
| Net Position, end of year | | | | <u>\$ 2,040,262</u> |

The notes to the financial statements are an integral part of this financial statement.

SHREVEPORT CITY MARSHAL

Balance Sheet
Governmental Fund
December 25, 2022

| ASSETS | |
|-------------------------------------|--------------------------|
| Cash | <u>\$ 916,625</u> |
| Total assets | <u><u>\$ 916,625</u></u> |
| | |
| LIABILITIES AND FUND BALANCE | |
| Liabilities | |
| Accounts payable and accruals | <u>\$ 48,291</u> |
| Total liabilities | <u>48,291</u> |
| | |
| Fund balances | |
| Unassigned | <u>868,334</u> |
| Total fund balance | <u>868,334</u> |
| | |
| Total liabilities and fund balance | <u><u>\$ 916,625</u></u> |

The notes to the financial statements are an integral part of this statement.

SHREVEPORT CITY MARSHAL
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position of
Governmental Activities on the Statement of Net Position
Year Ended December 25, 2022

| | |
|--|---------------------|
| Fund Balances - Total Governmental Funds | \$ 868,334 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds: | <u>1,171,928</u> |
| Net Position of Governmental Activities | <u>\$ 2,040,262</u> |

The notes to the financial statements are an integral part of this statement.

SHREVEPORT CITY MARSHAL
Statement of Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance
Year Ended December 25, 2022

| | |
|---|--------------------------|
| Program revenues: | |
| Charges for services | \$ 897,943 |
| Payments from the City of Shreveport | 2,542,416 |
| Interest earned | <u>3,446</u> |
| Total revenues | <u>3,443,805</u> |
| Expenditures/expenses: | |
| General government | |
| City of Shreveport - Operating Expenses | 164,612 |
| Communication | 44,711 |
| Dare program expenses | 2,441 |
| Dues | 4,800 |
| Fuel | 131,847 |
| Office expense | 105,719 |
| Personal services | 2,397,252 |
| Postage | 6,113 |
| Professional fees | 78,262 |
| Repairs and maintenance | 184,016 |
| Security alarm system | 3,482 |
| Telephone | 34,136 |
| Training and Travel | 25,914 |
| Uniforms | 54,099 |
| Utilities | 8,191 |
| Capital outlay | <u>79,935</u> |
| Total expenditures/expenses | <u>3,325,530</u> |
| Changes in fund balance | 118,275 |
| Fund balance, beginning of year | <u>750,059</u> |
| Fund balance, end of year | <u><u>\$ 868,334</u></u> |

The notes to the financial statements are an integral part of this statement.

SHREVEPORT CITY MARSHAL

Reconciliation of the Statement of Reveues, Expenditures
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities

December 25, 2022

| | |
|---|------------|
| Net changes in Fund Balances - Total Government Funds | \$ 118,275 |
|---|------------|

The change in Net Position reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlay 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 (\$236,108) exceeds capital outlay
(\$119,899).

(116,219)

Other transactions involving fixed assets

(39,954)

Change in net position of Governmental Activities

\$ (37,898)

The notes to the financial statements are an integral part of this report.

SHREVEPORT CITY MARSHAL

Statement of Fiduciary Net Position
December 25, 2022

| | Agency Funds | |
|----------------------------|---------------------|--------------------|
| | <u>Garnishments</u> | <u>Total</u> |
| <u>ASSETS</u> | | |
| Cash and cash equivalents | <u>\$ -</u> | <u>\$ -</u> |
| Total assets | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |
| <u>LIABILITIES</u> | | |
| Due to defendants - surety | <u>\$ -</u> | <u>\$ -</u> |
| Total liabilities | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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

Shreveport City Marshal
Notes to Financial Statements
December 25, 2022

1. Introduction:

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

2. Summary of Significant Accounting Policies:

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

A. Reporting Entity -

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Shreveport for financial reporting purposes. The basic criteria for including a potential component within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

1. Appointing a voting majority of an organization's governing body and:
 - a. The ability of the city to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

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

B. Basis of Presentation -

Government-Wide Financial Statements (GWFS)

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

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City Marshal's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

C. Fund Accounting -

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

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

The funds of the City Marshal are described below:

Governmental Fund -

General Fund

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

Fiduciary Fund -

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

D. Measurement Focus/Basis of Accounting -

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

Accrual Basis - Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

and (2) claims and judgements and compensated absences are recorded expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity -

Cash and Interest-Bearing Deposits -

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

Capital Assets -

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Marshal maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

| | |
|----------------------|----------|
| Buildings | 40 years |
| Furniture, computers | 5 years |
| Radios | 10 years |
| Vehicles | 7 years |
| Weapons | 7 years |

Compensated Absences -

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

Equity Classifications -

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

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

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

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

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

The General Fund has an unassigned fund balance of \$868,334. If applicable, the City Marshal would typically use restricted fund balances first, followed by committed fund balance.

F. Budgetary Practices -

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

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

G. Estimates -

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

3. On-Behalf Payments:

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

| | |
|-------------------|---------------------|
| Salaries | \$ 1,531,089 |
| Fringe Benefits | 846,714 |
| Operating Expense | <u>164,613</u> |
| Total | <u>\$ 2,542,416</u> |

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

4. Litigation:

The City Marshal is not a defendant in any lawsuits seeking damages for the year ended December 25, 2022.

5. Cash and Cash Equivalents:

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

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

Book account balances at December 25, 2022 totaled \$916,625. Bank balances totaled \$1,881,047. Bank balances of \$377,252 were insured by FDIC insurance and balances of \$1,503,795 were collateralized by securities held by the pledging financial institution's trust department at fair market value (*Risk Category 3*).

6. Capital Assets

Capital assets for the year ended December 25, 2022, are as follows:

| Cost | (Restated) (Note 9) | | | Ending Balance |
|-----------------------------|------------------------|---------------------|--------------------|---------------------|
| | Beginning Balance | Additions | Retirements | |
| Buildings | \$ 614,260 | \$ - | \$ - | \$ 614,260 |
| Vehicles | 1,843,605 | 88,481 | (55,936) | 1,876,150 |
| Communications | 517,305 | - | - | 517,305 |
| Computers | 73,692 | 31,408 | - | 105,100 |
| Other Equipment | 377,754 | - | - | 377,754 |
| Weapons | 64,851 | - | - | 64,851 |
| Total | <u>3,491,467</u> | <u>119,889</u> | <u>(55,936)</u> | <u>3,555,420</u> |
| Accumulated Depreciation | | | | |
| Buildings | 88,036 | 20,857 | - | 108,893 |
| Vehicles | 1,360,966 | 147,859 | (15,982) | 1,492,843 |
| Communications | 231,034 | 52,625 | - | 283,659 |
| Computers | 73,691 | 5,235 | - | 78,926 |
| Other Equipment | 360,248 | 6,117 | - | 366,365 |
| Weapons | 49,391 | 3,415 | - | 52,806 |
| Total | <u>2,163,366</u> | <u>236,108</u> | <u>(15,982)</u> | <u>2,383,492</u> |
| Net Capital Assets | <u>\$ 1,328,101</u> | <u>\$ (116,219)</u> | <u>\$ (39,954)</u> | <u>\$ 1,171,928</u> |

7. Changes in Fiduciary Fund - Agency Funds:

The following is a summary of changes in agency funds unsettled balances for the year ended December 25, 2022:

| Fund | <u>Balance 12/25/2021</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/25/2022</u> |
|--------------|-------------------------------|----------------------------|----------------------------|-------------------------------|
| Garnishments | <u>\$ -</u> | <u>\$ 2,070,589</u> | <u>\$ 2,070,589</u> | <u>\$ -</u> |
| Totals | <u><u>\$ -</u></u> | <u><u>\$ 2,070,589</u></u> | <u><u>\$ 2,070,589</u></u> | <u><u>\$ -</u></u> |

8. Prior Period Adjustment:

Net position at December 25, 2021 has been increased by \$74,948 to record cameras with a cost of \$93,965 and accumulated depreciation of \$19,017 that were purchased during a prior year.

9. Subsequent Events:

Management has evaluated subsequent events through May 23, 2023, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

SHREVEPORT CITY MARSHAL
 Budgetary Comparison Schedule
 General Fund
 Year Ended December 25, 2022

| | <u>Original</u> | <u>Amended *</u> | <u>Budgetary Basis Actual</u> | <u>Variance With Final Budget Pos./ (Neg.)</u> |
|--|-------------------|-------------------|---------------------------------------|--|
| Revenues: | | | | |
| Marshal charge for services from fines and bond forfeitures | \$ 885,897 | \$ 885,897 | \$ 897,943 | \$ 12,046 |
| Investment earnings | 2,000 | 2,000 | 3,446 | 1,446 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>887,897</u> | <u>887,897</u> | <u>901,389</u> | <u>13,492</u> |
| Expenditures/expenses: | | | | |
| Court services: | | | | |
| Communication | 20,000 | 20,000 | 44,711 | (24,711) |
| Dare program expenses | - | - | 2,441 | (2,441) |
| Dues | 5,000 | 5,000 | 4,800 | 200 |
| Fuel | 130,000 | 130,000 | 131,847 | (1,847) |
| Office expense | 107,301 | 107,301 | 105,719 | 1,582 |
| Personal services | - | - | 19,448 | (19,448) |
| Postage | 6,500 | 6,500 | 6,113 | 387 |
| Professional fees | 80,000 | 80,000 | 78,262 | 1,738 |
| Repairs and maintenance | 190,000 | 190,000 | 184,016 | 5,984 |
| Security alarm | 4,000 | 4,000 | 3,482 | 518 |
| Telephone | 30,000 | 30,000 | 34,136 | (4,136) |
| Training and travel | 15,000 | 15,000 | 25,914 | (10,914) |
| Uniforms | 55,000 | 55,000 | 54,099 | 901 |
| Utilities | 7,500 | 7,500 | 8,191 | (691) |
| Capital outlay | 100,000 | 100,000 | 79,935 | 20,065 |
| Total expenditures | <u>750,301</u> | <u>750,301</u> | <u>783,114</u> | <u>(32,813)</u> |
| Excess (deficiency) of revenues over expenditures | 137,596 | 137,596 | 118,275 | (19,321) |
| Beginning fund balance | <u>750,059</u> | <u>750,059</u> | <u>750,059</u> | <u>-</u> |
| Ending fund balance | <u>\$ 887,655</u> | <u>\$ 887,655</u> | <u>\$ 868,334</u> | <u>\$ (19,321)</u> |

* The budget was not amended in 2022.

SHREVEPORT CITY MARSHAL
Notes to the Budgetary Comparison Schedule
Year ended December 25, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows and Actual Revenue and Expenditures

Source/Inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule \$ 901,389

Differences-budget to GAAP
City of Shreveport on-behalf payments 2,542,416

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds \$3,443,805

Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 783,114

Differences-budget to GAAP
City of Shreveport on-behalf payments 2,542,416

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds \$3,325,530

SHREVEPORT CITY MARSHAL
 Schedule of Compensation, Reimbursements, Benefits and Other Payments
 to Agency Head
 For the Year Ended December 25, 2022

| Agency Heads: | Charlie Caldwell, Jr. | James Jefferson |
|----------------------|-----------------------|-----------------|
| Salary | \$ 53,482 | \$ 63,205 |
| Payroll Taxes | \$ 806 | \$ 629 |
| Insurance | \$ 6,195 | \$ 7,761 |
| Retirement | \$ 16,870 | \$ 13,802 |
| Per Diem | \$ 1,770 | \$ 236 |
| Registration Fees | \$ 425 | \$ - |
| Dues/Membership Fees | \$ 140 | \$ 340 |



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

Shreveport City Marshal
City of Shreveport
Shreveport, Louisiana

I 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 fiduciary fund of Shreveport City Marshal, as of and for the year ended December 25, 2022 and the related notes to the financial statements, which collectively comprise Shreveport City Marshal's basic financial statements, and have issued my report thereon dated May 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Shreveport City Marshal's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shreveport City Marshal's internal control. Accordingly, I do not express an opinion on the effectiveness of Shreveport City Marshal's internal control.

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

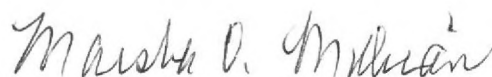
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shreveport City Marshal's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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 Shreveport City Marshal's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Marsha D. Milligan".

Certified Public Accountant
May 23, 2023

SHREVEPORT CITY MARSHAL

Corrective Action Taken on Prior Year Findings

Year Ended December 25, 2022

There were no findings for the year ended December 25, 2021.

SHREVEPORT CITY MARSHAL

Schedule of Findings

Year Ended December 25, 2022

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal accounting control were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the Marshal were disclosed during the audit.

There were no findings for the year ended December 25, 2022.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Shreveport City Marshal
City of Shreveport
Shreveport, Louisiana

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPS) for the fiscal period December 26, 2021 through December 25, 2022. Shreveport City Marshal's (City Marshal) management is responsible for those C/C areas identified in the SAUPS.

The City Marshal has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPS for the fiscal period December 26, 2021 through December 25, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. I obtained and inspected the entity's written policies and procedures and observed whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibition as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from a network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were noted as a result of this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

This procedure is not applicable. The City Marshal has no board or finance committee.

3) Bank Reconciliations

- A. I obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. I selected the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were noted as a result of this procedure.

4) Collections (excluding electronic funds transfers)

- A. I obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. I randomly selected 1 deposit site (there is only 1).
- B. For each deposit site selected, I obtained a listing of collection locations and management's representation that the listing is complete. I randomly selected one collection location for each deposit site (there is only 1), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. I randomly selected two deposit dates for the operating bank account selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 2 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Results - The entity had no bond or insurance policy for theft covering employees with access to cash.

Management's Response - The Marshal's office accepts checks and money orders but does not accept cash.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5.)
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employees/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. [Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were noted as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly select one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement). I obtained supporting documentation, and:
 - i. Observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported]; and

- ii Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and obtain supporting documentation for the transactions (e.g.. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were noted as a result of this procedure.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. I obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. I randomly selected 5 reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observed that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii) and
 - iv. Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted as a result of this procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5

contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results - The Marshal had no active contracts during the fiscal year.

9) Payroll and Personnel

- A. Obtain a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related salaries and personnel files, and agree paid salaries to authorized salaries/ pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records; and
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments.

Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed by the required deadlines.

This procedure is not applicable inasmuch as payroll functions for the Marshal are the responsibility of the City of Shreveport.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the entity has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were noted as a result of this procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results - The Marshal had no bonds/notes or other debt instruments during the fiscal period.

12) Fraud Notice

- A. Obtain a listing of misappropriation of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and to the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were noted as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Procedure Results - I performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

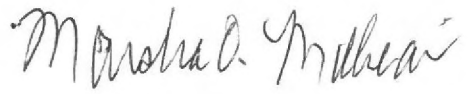
- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the entity who have completed the training requirements.;
 - b) Number of sexual harassment complaints received by the entity;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

No exceptions were noted as a result of this procedure.

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

I am required to be independent of the Marshal and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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

A handwritten signature in cursive script, reading "Marshall L. Milburn".

Certified Public Accountant

May 23, 2023