

WARD FOUR MARSHAL –
CITY OF SULPHUR, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS

Year Ended June 30, 2021

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3-5
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of net position	8
Statement of activities	9
FUND FINANCIAL STATEMENTS	
Balance sheet-governmental funds	12
Reconciliation of the balance sheet-Governmental Funds to the statement of net position	13
Statement of revenues, expenditures, and changes in fund balances-governmental funds	14
Reconciliation of the statement of revenues, expenditures, and changes in fund balances-governmental funds to the statement of activities	15
Statement of net position – fiduciary fund	16
Statement of changes in fiduciary net position	17
NOTES TO BASIC FINANCIAL STATEMENTS	18-26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule	28
OTHER INFORMATION	
Justice System Funding Schedule – Receiving Entity	30
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	31-32
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>	33-34
SCHEDULE OF FINDINGS AND RESPONSES	35

INDEPENDENT AUDITORS' REPORT

May 26, 2022

Honorable Brandon Dever
Ward Four Marshal - City of Sulphur, Louisiana
Sulphur, 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 Four Marshal, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 2021, 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 Four Marshal as of June 30, 2021, 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 budgetary comparison information on page 28 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 Four Marshal's basic financial statements. The justice system funding schedule and the schedule of compensation, benefits and other payments to agency head or chief executive officer on pages 30-32 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The justice system funding schedule and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are 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 justice system funding schedule and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Marshal has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of the Ward Four 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 Four Marshal's internal control over financial reporting and compliance.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 375,264
Receivables - court fees	8,755
Capital assets, net of accumulated depreciation	<u>15,122</u>
TOTAL ASSETS	<u><u>\$ 399,141</u></u>
DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ -</u></u>
LIABILITIES	
Accounts payable	\$ 10,437
TOTAL LIABILITIES	<u><u>\$ 10,437</u></u>
DEFERRED INFLOWS OF RESOURCES	<u><u>\$ -</u></u>
NET POSITION	
Net investment in capital assets	\$ 15,122
Unrestricted	<u>373,582</u>
TOTAL NET POSITION	<u><u>\$ 388,704</u></u>

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

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net Revenues (Expenses) and Changes in <u>Net Position</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
				<u>Governmental Activities</u>
Governmental Activities:				
Public safety	\$ 539,268	\$ 34,630	\$ 445,087	\$ (59,551)
		General Revenues:		
			Gain on sale of assets	<u>20,064</u>
			Total General Revenues	<u>20,064</u>
Changes in Net Position				(39,487)
Net Position - Beginning				<u>428,191</u>
Net Position - Ending				<u>\$ 388,704</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 FOUR MARSHAL - CITY OF SULPHUR, LA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	<u>General</u>
ASSETS	
Cash	\$ 375,264
Receivables - court fees	<u>8,755</u>
TOTAL ASSETS	<u>384,019</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 384,019</u>
LIABILITIES	
Accounts payable	<u>\$ 10,437</u>
TOTAL LIABILITIES	<u>10,437</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
FUND BALANCES	
Unassigned	<u>373,582</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 384,019</u>

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

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2021

Total fund balance for governmental fund at June 30, 2021	\$ 373,582
-----------------------------------------------------------	------------

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 \$127,575 accumulated depreciation	<u>15,122</u>
-----------------------------------------------------------	---------------

Total net position of governmental activities at June 30, 2021	<u>\$ 388,704</u>
----------------------------------------------------------------	-------------------

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

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	General
REVENUES	
Court fees and costs	\$ 255
Intergovernmental	445,087
Sale of assets	53,430
Other revenues	18,523
House Bill 315	15,852
Total revenues	533,147
EXPENDITURES	
General Government	
Cleaning and maintenance	3,600
Communication	2,340
Dues and subscriptions	325
Litter detail	13
Legal and professional	4,650
Office supplies	7,640
Other expenses	3,678
Postage	681
Salaries and benefits	481,845
Uniforms	3,424
Vehicle expnese	10,936
Capital Outlay	4,241
Total expenditures	523,373
NET CHANGES IN FUND BALANCE	9,774
FUND BALANCE - BEGINNING	363,808
FUND BALANCE - ENDING	\$ 373,582

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

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

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

Year Ended June 30, 2021

Total net changes in fund balance at June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$	9,774
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	\$	4,241	
Depreciation expense for the year ended June 30, 2021		(20,136)	
Sale of assets		(53,430)	
Gain on sale of assets		20,064	
		<u>20,064</u>	<u>(49,261)</u>
Total changes in net position at June 30, 2021 per Statement of Activities		\$	<u>(39,487)</u>

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

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
STATEMENT OF NET POSITION - FIDUCIARY FUND

June 30, 2021

ASSETS	
Cash	<u>\$ 32,340</u>
Total Assets	<u><u>\$ 32,340</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u><u>\$ -</u></u>
LIABILITIES	
Due to others	\$ 32,340
Due to other funds	<u>-</u>
Total Liabilities	<u><u>\$ 32,340</u></u>
DEFERRED INFLOWS OF RESOURCES	
	<u><u>\$ -</u></u>
NET POSITION	
Unrestricted	<u>\$ -</u>
Total Net Position	<u><u>\$ -</u></u>

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

WARD FOUR MARSHAL - CITY OF SULPHUR, LA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2021

REVENUES	
Garnishments and fees	\$ 308,841
Interest income	4
Total revenues	<u>308,845</u>
EXPENSES	
Remittance of seizures, bond forfeitures, fines and cost:	
Garnishments and fees	308,785
Administrative expense	60
Total expenses	<u>308,845</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING	<u>-</u>
NET POSITION - ENDING	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Sulphur in and for Ward Four has jurisdiction which encompasses the City of Sulphur, LA and the surrounding ward of Calcasieu Parish. The Ward Four Marshal is the executor of the City Court and the Ward Four Marshal's Office is responsible for executing the orders and mandates of the Court. Operation of the Ward Four Marshal's Office is funded primarily by court costs and fees assessed from persons participating in the judicial process.

The financial statements of the Ward Four 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 Four Marshal includes all funds, account groups, et cetera, that are within the oversight responsibility of the Ward Four Marshal.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Sulphur, 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 Sulphur, 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 Sulphur, LA.
2. Organizations for which the City of Sulphur, LA. does not appoint a voting majority but are fiscally dependent on the City of Sulphur, 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.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Because the City of Sulphur, LA financial statements would be misleading if data of the Ward Four 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 Sulphur, 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 Sulphur, 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 Four 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 Net Position 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 FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

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.

Fiduciary Funds:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds. This fund's activities are reported in a separate statement of fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Marshal's own programs. Fiduciary funds are presented on an economic resources management focus and the accrual basis of accounting, similar to the government-wide financial statements.

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.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 June 30, 2021, the Marshal has \$463,420 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

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:

Leasehold improvements	20 years
Vehicles	5 years
Gun inventory	7 years
Office furniture and equipment	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.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

- 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.

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 May 26, 2022, the date the financial statements were available to be issued.

11. 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.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at End of Period</u>
Vehicles	\$ 232,787	\$ 1,100	\$ (115,006)	\$ 118,881
Gun inventory	1,367	-	-	1,367
Office furniture and equipment	18,043	3,141	-	21,184
Leasehold improvements	<u>1,265</u>	<u>-</u>	<u>-</u>	<u>1,265</u>
	253,462	4,241	(115,006)	142,697
Less accumulated depreciation	<u>189,079</u>	<u>20,136</u>	<u>(81,640)</u>	<u>127,575</u>
	<u>\$ 64,383</u>	<u>\$ (15,895)</u>	<u>\$ (33,366)</u>	<u>\$ 15,122</u>

Depreciation expense for the year was \$ 20,136.

NOTE C – CHANGES IN AGENCY FUND DUE TO OTHERS

A summary of changes in agency fund due to others for the year ended June 30, 2021, is a follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Disbursements</u>	<u>Balance at End of Period</u>
Garnishments funds	\$ 747	\$ 308,845	\$ (277,252)	\$ 32,340

NOTE D - COMMITMENTS AND CONTINGENCIES

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

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

NOTE E - ON-BEHALF PAYMENTS

The Marshal reports in the financial statements on-behalf salary and fringe benefit payments made by the Calcasieu Parish Police Jury and the City of Sulphur, Louisiana to the Marshal's employees. Salary and fringe payments are made by the Parish and City directly to the employees. The Calcasieu Parish Police Jury and the City of Sulphur, Louisiana make pension contributions for the qualified employees to the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Such payments are recorded as intergovernmental revenue and expenditures in the GAAP basis government-wide and general fund financial statements.

The City of Sulphur, Louisiana and Calcasieu Parish Police Jury made on-behalf payments of \$350,458 for the Marshal for the year ended June 30, 2021, as follows:

City of Sulphur, Louisiana	\$ 294,491
Calcasieu Parish Police Jury	<u>55,967</u>
Total	<u>\$ 350,458</u>

REQUIRED SUPPLEMENTARY INFORMATION

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Court fees and costs	\$ 600	\$ 300	\$ 255	\$ (45)
Intergovernmental	150,000	451,698	445,087	(6,611)
Sale of assets	-	53,430	53,430	-
Other revenues	-	-	18,523	18,523
House Bill 315	-	-	15,852	15,852
Total revenues	<u>150,600</u>	<u>505,428</u>	<u>533,147</u>	<u>27,719</u>
EXPENDITURES				
General Government				
Cleaning and maintenance	4,200	3,600	3,600	-
Communication	2,700	2,500	2,340	160
Dues and subscriptions	325	325	325	-
Litter detail	50	50	13	37
Legal and professional	4,650	4,650	4,650	-
Office supplies	4,000	4,765	7,640	(2,875)
Other expenses	1,550	3,950	3,678	272
Repairs and maintenance	800	2,900	0	2,900
Postage	800	700	681	19
Salaries and benefits	130,000	443,044	481,845	(38,801)
Uniforms	1,500	6,100	3,424	2,676
Vehicle expnese	10,700	11,100	10,936	164
Capital Outlay	-	3,141	4,241	(1,100)
Total expenditures	<u>161,275</u>	<u>486,825</u>	<u>523,373</u>	<u>(36,548)</u>
NET CHANGES IN FUND BALANCE	(10,675)	18,603	9,774	(8,829)
FUND BALANCE - BEGINNING	<u>363,808</u>	<u>363,808</u>	<u>363,808</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 353,133</u>	<u>\$ 382,411</u>	<u>\$ 373,582</u>	<u>\$ (8,829)</u>

OTHER INFORMATION

WARD FOUR MARSHAL - CITY OF SULPHUR, LA

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

Year Ended June 30, 2021

Cash Basis Presentation	<u>First Six Month Period Ended 12/31/2020</u>	<u>Second Six Month Period Ended 6/30/2021</u>
Receipts From:		
<i>City Court of Sulphur, Criminal Court Costs/Fees</i>	\$ 23,506	\$ 69,472
<i>City Court of Sulphur, Civil Fees</i>	5,064	10,440
<i>City Court of Sulphur, Pre-Trial Diversion Program Fees</i>	-	60
<i>Crowley City Court, Civil Fees</i>	-	210
Subtotal Receipts	\$ 28,570	\$ 80,182
Ending Balance of Amounts Assessed but Not Received	\$ -	\$ -

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

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

Year Ended June 30, 2021

Agency Head Name: Brandon Dever (January 1, 2021 through June 30, 2021)

<u>Purpose</u>	<u>Amount</u>
Salary – On-behalf from Calcasieu Police Jury	\$ 37,500
Salary – On-behalf from City of Sulphur	-
Benefits – Insurance – On-behalf from City of Sulphur	-
Benefits – Retirement – On-behalf from City of Sulphur	-
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Commissions – Garnishments and Seizures	2,180
Conference Travel	-
Continuing Professional Education Fees	-
Unvouchered Expenses	-
Special Meals	-

Continued

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

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

Year Ended June 30, 2021

Agency Head Name: Billy Guidry (July 1, 2020 through December 31, 2020)

<u>Purpose</u>	<u>Amount</u>
Salary – On-behalf from Calcasieu Police Jury	\$ 21,261
Salary – On-behalf from City of Sulphur	10,750
Benefits – Insurance – On-behalf from City of Sulphur	4,434
Benefits – Retirement – On-behalf from City of Sulphur	2,065
Car Allowance	-
Vehicle Provided by Government	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Commissions – Garnishments and Seizures	-
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*

May 26, 2022

Honorable Brandon Dever
Ward Four Marshal — City of Sulphur, Louisiana
Sulphur, 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 Four Marshal, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Ward Four Marshal's basic financial statements, and have issued our report thereon dated May 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Ward Four 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 Four Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ward Four 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 Four 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses.

The Ward Four Marshal's Responses to Findings

The Ward Four Marshal's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Ward Four 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.

WARD FOUR MARSHAL – CITY OF SULPHUR, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2021

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 2021-01: Budgetary Authority and Control

Condition: Inadequate budgeting procedures resulted in 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

None.