

CITY MARSHAL
OF WEST MONROE, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2021



CITY MARSHAL
OF WEST MONROE, LOUISIANA

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

City Marshal William Guyton,
City Marshal of West Monroe, Louisiana

We have audited the accompanying component unit financial statements of the governmental activities, the aggregate remaining fund information, and each major fund of the City Marshal of West Monroe, Louisiana, a component unit of the City of West Monroe, 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 component unit 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City Marshal of West Monroe, Louisiana, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

City Marshal William Guyton,
City Marshal of West Monroe, Louisiana
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the budgetary comparison schedules on pages 21 and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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 Marshal's component unit financial statements. The accompanying other financial information consisting of the schedule of compensation, reimbursements, benefits and other payments to agency head on page 29 and the Act 87 Collecting/Disbursing Entity and Receiving Entity Schedules on pages 30 and 31 are presented for purposes of additional analysis and is not a required part of the component unit financial statements.

The other supplementary 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. 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 statement 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the City Marshal of West Monroe, Louisiana's internal control over financial reporting and on 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 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 City Marshal of West Monroe, Louisiana's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City Marshal of West Monroe, Louisiana (the Marshal) provides an overview of the Marshal's activities for the year ended June 30, 2021. Please read it in conjunction with the Marshal's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Marshal's basic financial statements. The Marshal's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These components are described below:

BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of financial statements that present different views of the Marshal – the *Government-wide Financial Statements* and *Fund Financial Statements*. These financial statements also include the *Notes to the Financial Statements* that explain some of the information in the financial statements and provide additional detail.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Marshal's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Marshal's financial position, which assists users in assessing the Marshal's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenditures connected with the year even if cash has not been received or paid. The Marshal's financial statements contain only governmental activities. The government-wide financial statements include two statements.

- The **Statement of Net Position** presents all of the Marshal's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the Marshal's net position may serve as a useful indicator of whether the financial position of the Marshal is improving or deteriorating.

- The **Statement of Activities** presents information showing how the Marshal's net position changed during the most recent 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

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 Marshal, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Marshal are divided into two categories: governmental funds and fiduciary funds.

- **Governmental Funds.** The Marshal's operating expenditures are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Marshal's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Marshal expenses. We describe the relationship (or differences) between governmental activities (reported in the Statement of Activities) and governmental funds in reconciliation in Note 1 to the financial statements.
- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the Marshal. 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. The accrual basis of accounting is used for fiduciary funds.

The Marshal has one fiduciary fund: the Cash Bond and Forfeitures Fund.

The fund financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Marshal's financial position. The Marshal's net position was \$17,020 and \$22,242 as of June 30, 2021 and 2020, respectively.

The Marshal's assets totaling \$19,820 consists of cash and accounts receivable.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current Assets	\$ 19,820	\$ 27,762
Current Liabilities	<u>2,800</u>	<u>5,520</u>
Total Net Position	<u>\$ 17,020</u>	<u>\$ 22,242</u>

Changes in Net Position

The Marshal's net position decreased by \$5,221 during the year ended June 30, 2021 compared to an increase of \$8,634 during the prior year. The Marshal's total revenues derived from program revenue during the current year decreased \$65,490 from the prior year, mainly due to a decrease in revenue from a decrease in overall activity and intergovernmental revenue from the City of West Monroe. Expenses decreased \$51,635 due primarily to a decrease in commissions for the Marshal.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program Revenues:		
Court Costs	\$ 61,762	\$ 84,155
Commissions for Services	439,291	465,208
Intergovernmental – COWM	<u>522,542</u>	<u>539,722</u>
Total Revenues	1,023,595	1,089,085
Total Expenses	1,028,816	1,080,451
Total Transfers In	-	-
Total Transfers Out	-	-
Increase (Decrease) in Net Position	(5,221)	8,634
Net Position – Beginning of Year	22,242	13,608
Net Position – End of Year	<u>\$ 17,021</u>	<u>\$ 22,242</u>

FINANCIAL ANALYSIS OF THE MARSHAL'S INDIVIDUAL FUNDS

As noted earlier, the Marshal uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Marshal's governmental fund is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Marshal's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Marshal's net resources available for spending at June 30, 2021.

As of June 30, 2021, the Marshal's governmental fund reported a combined ending fund balance of \$17,021, a decrease of \$5,221 compared to the prior year. The decrease is due mainly to a decrease in court costs and commissions.

The ending governmental fund balance is unassigned and available for spending in the coming year.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget is prepared by the City Marshal of West Monroe, Louisiana for the portion of the operations that are not provided by the City of West Monroe, Louisiana through their own behalf payment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

There are no changes in rates for next year. The Marshal uses prior year results with known economic factors to prepare the budget for the next year.

CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Marshal's finances and to show the Marshal's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Marshal's offices at 2303 North 7th Street, West Monroe, Louisiana.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 13,903
Accounts Receivable	5,918
Total Assets	<u>\$ 19,821</u>
 <u>LIABILITIES</u>	
Accounts Payable	-
Due To Other Funds	\$ 2,800
Total Liabilities	<u>2,800</u>
 <u>NET POSITION</u>	
Restricted for:	
Garnishments	2,388
Sales and Seizures	2,342
Equipment and Training	9,624
Unrestricted Net Position	2,667
Total Net Position	<u>\$ 17,021</u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Government Activities</u>
		<u>Fees, Charges, and Commissions for Services</u>	<u>Intergovernmental - City of West Monroe</u>	
Judicial:				
Salaries/Related Expenses	\$ 491,046	\$ 61,762	\$ 522,542	\$ 93,258
Fees, Charges, and Commissions for Services	435,335	439,291	-	3,956
Operating Expense	<u>102,435</u>	<u>-</u>	<u>-</u>	<u>(102,435)</u>
 Total Governmental Activities	 <u>\$ 1,028,816</u>	 <u>\$ 501,053</u>	 <u>\$ 522,542</u>	 <u>\$ (5,221)</u>
Change in Net Position				(5,221)
Net Position July 1, 2020 (Restated)				<u>22,242</u>
Net Position June 30, 2021				<u>\$ 17,021</u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

<u>ASSETS</u>	<u>General Fund</u>	<u>Garnishment Fund</u>	<u>Sales and Seizures Fund</u>	<u>Equipment and Training Fund</u>	<u>Total</u>
Cash	\$ 1,192	\$ 2,388	\$ 2,124	\$ 8,198	\$ 13,902
Accounts Receivable	4,275	-	218	1,425	5,918
<u>TOTAL ASSETS</u>	<u>5,467</u>	<u>2,388</u>	<u>2,342</u>	<u>9,623</u>	<u>19,820</u>
<u>LIABILITIES</u>					
Accounts Payable	-	-	-	-	-
Due to Other Funds	2,800	-	-	-	2,800
<u>FUND BALANCE</u>					
Restricted for:					
Garnishments	-	2,388	-	-	2,388
Sales and Seizures	-	-	2,342	-	2,342
Equipment and Training	-	-	-	9,624	9,624
Unassigned Fund Balance	2,667	-	-	-	2,667
Total Fund Balance	2,667	2,388	2,342	9,624	17,021
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 5,467</u>	<u>\$ 2,388</u>	<u>\$ 2,342</u>	<u>\$ 9,624</u>	<u>\$ 19,821</u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Garnishment Fund</u>	<u>Sales and Seizures Fund</u>	<u>Equipment and Training Fund</u>	<u>Total</u>
Revenues:					
Court Costs and Commissions	\$ 30,674	430,774	8,517	31,088	\$ 501,053
Intergovernmental - City of West Monroe	522,542	-	-	-	522,542
Total Revenues	553,216	430,774	8,517	31,088	\$ 1,023,595
Expenditures:					
Salaries - Staff	491,046	-	-	-	491,046
Security	28,280	-	-	-	28,280
Equipment	-	-	-	925	925
Training	-	-	-	1,425	1,425
Fees and Commissions	-	26,672	2,329	16,530	45,531
Other Reductions	208	404,102	6,188	14,672	425,170
Supplies	36,439	-	-	-	36,439
Total Expenditures	555,973	430,774	8,517	33,552	1,028,816
Excess of Expenditures Over Revenues	(2,757)	-	-	(2,464)	\$ (5,221)
Fund Balance at Beginning of Year	5,424	2,388	2,342	12,088	22,242
Fund Balance at End of Year	\$ 2,667	2,388	2,342	9,624	\$ 17,021

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 132,918
Accounts Receivable	<u>6,095</u>
Total Assets	<u>\$ 139,013</u>
<u>LIABILITIES</u>	
Deposits Due to Others	<u>\$ 7,940</u>
Total Liabilities	<u>\$ 7,940</u>
<u>NET POSITION</u>	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 131,073</u>
Net Position	<u>\$ 131,073</u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
Additions:	
Bond Fees	\$ 37,550
Total Additions	<u>37,550</u>
Reductions:	
Bond Fees	22,100
Total Reductions	<u>22,100</u>
Net Increase (Decrease) in Fiduciary Net Position	15,450
Net Position - Beginning (Restated)	<u>115,623</u>
Net Position - Ending	<u><u>\$ 131,073</u></u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies

The City Marshal of West Monroe, Louisiana, (the “City Marshal”), is a component unit of the City of West Monroe, Louisiana. The City Marshal is responsible for maintaining bonds posted by defendants appearing before the City Court, the collection and remittance of garnishments, and the auction of property seized by the City Marshal. The City Marshal is elected for six-year terms.

A. Financial Reporting Entity

As a governing authority of the city, for reporting purposes, the City of West Monroe, Louisiana, is the financial reporting entity for the city. The financial reporting entity consists of (a) the primary government (city), (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.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of West Monroe, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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 organizations is not included because of the nature or significance of the relationship.

Because of item 2 above, the City Marshal of West Monroe, Louisiana, was determined to be a component unit of the City of West Monroe, Louisiana, 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, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

C. Fund Accounting

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the Marshal are classified into two categories: governmental funds and fiduciary (agency) funds. These funds are described as follows:

Governmental Funds

Governmental funds account for all or most of the Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Marshal. The Marshal's governmental funds are as follows:

The *General Fund* is the primary operating fund of the Marshal, and it accounts for all financial resources except those required to be accounted for in other funds. The Marshal's General Fund is used to account for receipts and disbursements of funds received from City Court costs and used in connection with the City Marshal's operating expenditures. These funds are held by the City of West Monroe then distributed to the Marshal by the City.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

The *Special Revenue Funds* are the funds established to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects. The Marshal's special revenue funds are as follows:

Marshal's Garnishment Fund - The Marshal's Garnishment Fund accounts for the collection of garnishments and the remittance of these funds to garnishment payees and to the City Court and City Marshal for costs incurred in collecting and distributing the funds.

Marshal's Sales and Seizures Fund - The Marshal's Sales and Seizures Fund accounts for the collection of proceeds from the sale and seizure of property and the remittance of these funds to creditors, to the Marshal for costs incurred, and to others for costs incurred in the sale and seizure of property.

Marshal's Equipment and Training Fund - The Marshal's Equipment and Training Fund is used to account for the fees associated with Louisiana Statute R.S. 13:5807 as amended by Act No. 166 of the 2020 regular session. Funds shall be used to assist in the purchasing or updating of necessary equipment and officer training to carry out the efficient performance of all duties imposed by law on constables and marshals.

Fiduciary Funds

Fiduciary funds' reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Marshal are custodial funds. The Marshal maintains one custodial funds: the Cash Bonds and Forfeitures Fund. The custodial fund uses the economic resources measurement focus and the accrual basis of accounting.

Cash Bonds and Forfeitures Fund - The Cash Bonds and Forfeitures Fund accounts for the collection of bond forfeitures and the posting of cash bonds. Effective July 1, 1991, fines are remitted directly to the City of West Monroe, Louisiana and are accounted for by the City. Cash bonds are held until forfeited or refunded to the person posting the bond.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting

Fund Financial Statements

The amounts reflected in the Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Marshal's operations. For the year ended June 30, 2021, there were no differences between the fund financial statements and the government-wide financial statements.

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end.

Revenues

Recordings, cancellations, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when susceptible to accrual.

Substantially all other revenues are recorded when received by the Marshal.

Based on the above criteria, recordings, criminal costs, and other fees, charges, and commissions for service are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Marshal.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted as other financing sources (uses) and are recognized when the underlying events occur.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies

D. Measurement Focus and Basis of Accounting (continued)

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the Marshal as a whole. These statements include all non-fiduciary activities of the Marshal. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenditures, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs, regardless of when cash is received or disbursed.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from Court users as a fee for services and Intergovernmental – City of West Monroe payments made by other governmental units for salaries and benefits of employees of the Marshal’s Office; program revenues reduce the cost of the function to be financed from the Marshal’s general revenues.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the Marshal may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Use of Estimates

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

G. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city aldermen and the Marshal – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city aldermen and the Marshal remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the marshal’s “intent” to be used for specific purposes, but are neither restricted nor committed. The marshal’s management has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the marshal’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2 - Budgets and Budgetary Accounting

A budget is prepared by the City Marshal for the portion of revenues and expenses not paid for by the on behalf payment from the City of West Monroe. The detail of this payment is shown in Note 4.

Note 3 - Cash

At June 30, 2021, the City Marshal had cash (book balances) totaling \$146,820 as follows.

Governmental Funds:

General Fund	\$1,192
Equipment and Training Fund	8,198
Garnishment Fund	2,388
Sales and Seizures Fund	<u>2,124</u>
Total Governmental Funds	\$13,902

Fiduciary (Agency) Funds:

Cash Bond and Forfeitures Fund	<u>132,918</u>
Total Fiduciary Funds	<u>132,918</u>
Total - All Funds	<u>\$146,820</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Marshal in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk for deposits is the risk that, in the event of the failure of the depository financial institution, the government will not be able to recover its deposits. As of June 30, 2021, these deposits were collateralized in full.

Note 4 - On-Behalf Payments

The City of West Monroe provides a substantial amount of fiscal support to the Marshal for its operations. The City of West Monroe made on-behalf payments of \$522,542 for the Marshal for the year ended June 30, 2021, as follows:

Salaries (including sick pay and vacation pay)	\$ 328,721
Fringe Benefits	162,325
Operating Expenses	<u>31,496</u>
Total	<u>\$ 522,542</u>

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 5 - Prior Period Adjustment – New Accounting Standard

For the year ended June 30, 2021, the Marshal implemented the following pronouncement: GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments and requires governments with activities meeting the criteria to present a statement of fiduciary net position and a statement of changes in fiduciary net position. With the change, the Garnishment Fund and the Sales and Seizures Fund, which had previously been shown as fiduciary funds, were reclassified to special revenue funds requiring a restatement in net position as noted below:

Government Activities

Net Position as previously stated July 1, 2020	\$ 17,512
Net Change of Net Position due to Reclassification of Garnishment Fund and Sales and Seizures Fund to Special Revenue Funds	4,730
Net Position as restated July 1, 2020	<u>\$ 22,242</u>

Note 6 - Subsequent Events

Subsequent events have been evaluated through December 21, 2021, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

CITY MARSHAL OF WEST MONROE
MONROE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Revenues & Expenditures</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Court Costs and Commissions	\$ 50,000	\$ 50,000	\$ 61,762	\$ 11,762
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>61,762</u>	<u>11,762</u>
EXPENDITURES				
Security	30,000	30,000	28,280	1,720
Equipment	-	-	925	(925)
Training	-	-	1,425	(1,425)
Fees and Commissions	400	400	16,530	(16,130)
Other Reductions	10,900	10,900	14,880	(3,980)
Supplies	5,000	5,000	4,943	57
Total expenditures	<u>46,300</u>	<u>46,300</u>	<u>66,983</u>	<u>(20,683)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,700	3,700	(5,221)	(8,921)
FUND BALANCE AT BEGINNING OF YEAR	<u>17,512</u>	<u>17,512</u>	<u>17,512</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 21,212</u>	<u>\$ 21,212</u>	<u>\$ 12,291</u>	<u>\$ (8,921)</u>

See accompanying notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) Basis and Actual.

CITY MARSHAL OF WEST MONROE
MONROE, LOUISIANA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BUDGETARY POLICIES

The proposed budget for the General Fund and Equipment and Training Fund is prepared on the modified accrual basis of accounting. The budget is then legally adopted by the Marshal and amended during the year, as necessary. The budget is established and controlled by the Marshal at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget adopted by the Marshal does not include the Marshal's expenditures budgeted annually by the City of West Monroe.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying schedule include the original adopted budget amount and the final amended budget.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

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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

City Marshal William Guyton
City Marshal of West Monroe, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the component unit financial statements of the governmental activities, the aggregate remaining fund information, and each major fund of the City Marshal of West Monroe, Louisiana, a component unit of the City of West Monroe, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City Marshal of West Monroe, Louisiana basic financial statements and have issued our report thereon dated December 21, 2021

Internal Control Over Financial Reporting

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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and thereof, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have 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 as item 2021-02 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshal's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as item 2021-01 and 2021-03.

Marshal's Response to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Marshal of West Monroe, Louisiana'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 City Marshal of West Monroe, Louisiana's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 21, 2021

**CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

We have audited the component unit financial statements of the City Marshal of West Monroe, Louisiana as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 2021. 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. Our audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no
 Significant Deficiencies not considered to be
 Material Weaknesses X yes ___ no

Compliance

Compliance Material to Financial Statements X yes ___ no

B. Federal Awards (None)

Material Weakness Identified ___ yes ___ no
 Significant Deficiencies not considered to be
 Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unmodified _____ Modified _____
 Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with the Uniform Guidance? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
 Federal AL Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

**CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021 (continued)**

Section II- **Financial Statement Findings**

2021-01 Noncompliance with State Law

Condition:

It was noted during testing that the Marshal is not in compliance with Act No. 166 that was passed by the Louisiana Legislature in 2019. The main area of noncompliance is listed below:

- The Marshal is spending some of this sixty percent of the increase in fees for office expenditures.

Criteria:

Act No. 166 increased the amount of fees that the Marshal can charge for his services. It also gave restrictions on how these increased fees could be spent. Sixty percent of this increase is to be set aside for equipment and training expenditures. The remaining forty percent of this increase can be used for any necessary office expenditures including fees passed on to the Marshal as part of his compensation.

Cause:

The Marshal was misinformed of the restrictions in this Act at a conference that he attended. He relied on this misinformation when deciding what expenditures could be paid with the restricted revenues.

Effect:

The Marshal was in noncompliance with Act 166 until June 2021. It is unknown at this time what other potential effects this noncompliance could have on the Marshal's office.

Recommendation:

The Marshal should update how it spends this increased revenue to be able to comply with Act 166.

Management's Response:

Starting in June 2021, the Marshal updated its spending policies to be in compliance with Act 166.

2021-02 Untimely Deposit of Cash Bond Deposits

Condition:

It was noted during testing that nine of the twenty cash receipts tested for bond collections were not deposited within three business days.

Section II- Financial Statement Findings (continued)

Criteria:

Proper internal controls should provide a system that allows for timely deposit of cash receipts.

Cause:

Cash bonds are paid at Ouachita Correctional Center (OCC). Once the payment is received at OCC, the cash and cash receipt is delivered to the Marshal's office. The Marshal is not depositing the receipts in a timely fashion.

Potential Effect:

Cash receipts are being exposed to an increased risk of theft or misappropriation by being held at the Marshal's office and by not having them deposited timely once received.

Recommendation:

The Marshal should take steps to help ensure that cash bond receipts are deposited on a timely basis. Ideally, deposits should be made on a daily basis.

Management's Response:

The Marshal will revise its procedures on bank deposits to help ensure that daily deposits are made.

2021-03

Unfavorable Budget Variance

Condition:

The Marshal's actual expenditures for the year exceeded budgeted expenditures by greater than five percent.

Criteria:

Louisiana Revised Statute 39:1311 requires the Marshal to amend its budget if there is a five percent or greater overage in budgeted revenues as compared to actual revenues or a five percent or greater overage in actual expenditures as compared to budgeted expenditures.

Cause:

The Marshal failed to amend its original budget for the year.

Potential Effect:

The Marshal could spend more funds than it has available.

Recommendation:

The Marshal should continue to monitor revenues and expenditures throughout the year to ensure actual revenues and expenditures are within the five percent variance of the budgeted revenues and expenditures.

Management's Response:

The Marshal will more closely monitor revenues and expenditures throughout the year and made amendments to the original budget as necessary.

Section III- Federal Award Findings and Question Costs- N/A

CITY MARSHAL
OF WEST MONROE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

20-01

Noncompliance with State Law

Condition:

It was noted during testing that the Marshal was not in compliance with Act No. 166 that was passed by the Louisiana Legislature in 2019. The main area of noncompliance is listed below:

- The Marshal is spending some of this sixty percent of the increase in fees for office expenditures.

Recommendation:

The Marshal should update how it spends this increased revenue to be able to comply with Act 166.

Current Status:

See current year finding 2021-01.

CITY MARSHAL OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2021

Agency Head

William Guyton
City Marshal

Paid by the City of West Monroe, Louisiana

Salary	53,116
Cell Phone	480
Car Allowance	7,500
Benefits - Insurance	8,500
Benefits - Retirement	5,091

Paid by the West Monroe Marshal

Service Returns/Housing Evictions	28,661
Sales and Seizures	2,024
Garnishments	26,672

Paid by the State of Louisiana

State Supplemental	6,000
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\$ 138,044

CITY MARSHAL OF WEST MONROE, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 133,456	\$ 136,714
Add: Collections		
Civil Fees	192,351	238,422
Bond Fees	16,800	20,750
Asset Forfeiture/Sale	1,754	6,763
Criminal Court Costs/Fees	24,300	8,693
Subtotal Collections	<u>235,205</u>	<u>274,628</u>
Less: Disbursements to Governments & Nonprofits		
City of West Monroe Bond Fees	3,637	2,907
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	27,133	16,795
Bond Fees	-	200
Criminal Court Costs/Fees	9,563	11,781
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Bond Fee Refunds	9,714	5,642
Other Disbursements to Individuals (additional detail is not required)	<u>181,900</u>	<u>228,390</u>
Subtotal Disbursements/Retainage	<u>231,947</u>	<u>265,715</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 136,714</u>	<u>\$ 145,627</u>

CITY MARSHAL OF WEST MONROE, LOUISIANA
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Receipts From:		
City of West Monroe, Criminal Court Costs/Fees	<u>\$ 15,453</u>	<u>\$ 15,814</u>
Total Receipts	<u><u>\$ 15,453</u></u>	<u><u>\$ 15,814</u></u>