

CITY MARSHAL
OF WEST MONROE, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 26 2014



CITY MARSHAL
OF WEST MONROE, LOUISIANA

JUNE 30, 2013

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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, 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, 2013, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City Marshal of West Monroe, Louisiana, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 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 City Marshal of West Monroe, Louisiana's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

City Marshal William Guyton,
City Marshal of West Monroe, Louisiana
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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, 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 19, 2013

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City of West Monroe

William M. Guyton
City Marshal

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, 2013. 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.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Marshal's near term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Marshal's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Marshal.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Marshal's near-term financing decisions. Due to the nature of the operations there were no differences between the fund financial statements and the government-wide financial statements.

The Marshal has one governmental fund which is the General Fund. The General fund is comprised of the Marshal's Special Operating Fund, the LARS Special Operating Fund, the Other Agency Service Fund and the Capital Improvement Fund.

The Special Operating Fund accounts for receipts and disbursements of funds received from City Court costs and used in connection with City Marshal operating expenditures including paying for the majority of the Marshal's staff salaries.

The LARS Special Operating Fund and Capital Improvement Fund account for receipts and disbursements of funds received from City Court costs and used in connection with the City Marshal's other operating expenditures

The Marshal's Other Agency Fund accounts for the collection and the remittance of the fees received from other agencies for the Marshal's assistance in cases outside its jurisdiction.

- **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 three fiduciary funds: the Cash Bond and Forfeitures Fund, the Garnishment Fund, and the Sales and Seizures Fund.

The funds 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 \$35,733 and \$26,273 (Restated) as of June 30, 2013 and 2012, respectively.

The majority of the Marshal's assets totaling \$38,933 is in cash and cash equivalents.

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Current Assets	\$ 38,933	\$ 29,473
Current Liabilities	<u>3,200</u>	<u>3,200</u>
Total Net Position	<u>\$ 35,733</u>	<u>\$ 26,273</u>

Changes in Net Position

The Marshal's net position decreased by \$9,460 during the year ended June 30, 2013 compared to a decrease of \$79,322 during the prior year. The Marshal's total revenues derived from program revenue during the current year decreased \$15,155 from the prior year, mainly due to a decrease in the Marshal's fees resulting from a decrease in court costs. Expenses increased \$102,080 due primarily to an increase in staff salaries and security expense

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Revenues.		
Program Revenues:		
Court Costs	\$ 113,871	\$ 130,330
Other Agency	7,478	6,174
General Revenues		
Intergovernmental	<u>206,017</u>	<u>-</u>
Total Revenues	327,366	136,504
Total Expenses	317,906	215,826
Total Transfers In	-	-
Total Transfers Out	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	9,460	(79,322)
Net Position – Beginning of Year	26,273	(187,875)
Restatement	<u>-</u>	<u>293,470</u>
Net Position – End of Year	<u>\$ 35,733</u>	<u>\$ 26,273</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, 2013.

As of June 30, 2013, the Marshal's governmental fund reported a combined ending fund balance of \$35,733, an increase of \$9,460 compared to the prior year. The increase is due mainly to an increase in revenues and support from the City of West Monroe.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

No budget is prepared by the City Marshal of West Monroe, Louisiana since the operations are provided by the City of West Monroe, Louisiana.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Marshal operations are funded entirely by the City of West Monroe, Louisiana. There is not an annual budget for the Marshal.

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, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 29,070
Accounts Receivable	6,663
Due From Other Funds	-
Total Assets	<u>\$ 35,733</u>
<u>LIABILITIES</u>	
Due To Other Funds	<u>\$ -</u>
Total Liabilities	<u>-</u>
<u>NET POSITION</u>	
Unrestricted Net Position	35,733
Total Net Position	<u>\$ 35,733</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, 2013

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating Grants</u>	<u>Revenue and Changes</u>
		<u>for</u>	<u>and</u>	<u>in Net Assets</u>
		<u>Services</u>	<u>Contributions</u>	<u>Government Activities</u>
Judicial				
Salaries/Related Expenses	\$249,376	\$121,349	\$ -	\$(128,027)
Operating Expense	<u>68,530</u>	<u>-</u>	<u>-</u>	<u>(68,530)</u>
 Total Governmental Activities	 <u>\$317,906</u>	 <u>\$121,349</u>	 <u>\$ -</u>	 <u>\$(196,557)</u>
				General Revenues:
				Intergovernmental
				206,017
				Transfers In
				-
				Transfers Out
				<u>-</u>
				Change in Net Position
				9,460
				 <u>Net Position July 1, 2012 (Restated)</u>
				 <u>26,273</u>
				 <u>Net Position June 30, 2013</u>
				 <u>\$ 35,733</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, 2013

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 29,070
Accounts Receivable	6,663
Due From Other Funds	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 35,733</u>
 <u>LIABILITIES</u>	
Due to Other Funds	<u>\$ -</u>
Total Liabilities	-
 <u>FUND BALANCE</u>	
Unassigned	<u>35,733</u>
Total Fund Balance	<u>35,733</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 35,733</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, 2013

	<u>General Fund</u>
Revenues:	
Court Costs	\$ 113,871
Other Agency	7,478
Intergovernmental	206,017
Total Revenues	<u>327,366</u>
Expenditures:	
Salaries - Staff	249,376
Security	37,565
Seminars	150
Other Reductions	21,579
Supplies	9,236
Total Expenditures	<u>317,906</u>
Excess of Revenues Over Expenditures	9,460
Other Financing Sources (Uses)	
Operating Transfers In	-
Operating Transfers Out	-
Total Other Financing Sources (Uses)	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	9,460
Fund Balance at Beginning of Year (Restated)	<u>26,273</u>
Fund Balance at End of Year	<u>\$ 35,733</u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	<u>\$ 66,616</u>
<u>TOTAL ASSETS</u>	<u>\$ 66,616</u>
<u>LIABILITIES</u>	
Deposits Due to Others	<u>\$ 66,616</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 66,616</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, 2013**

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 includes:

1. **Appointing a voting majority of an organization's governing body, and:**
 - a. **The ability of the city to impose its will on that organization and/or**
 - b. **The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.**
2. **Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.**
3. **Organizations for which the reporting entity financial statements would be misleading if data of the 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, 2013

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 reports the General Fund as its only governmental fund.

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 comprised of the following:

**CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

Special Operating Fund - The Marshal's Special Operating Fund is the general operating fund of the Marshal. It is used to account for receipts and disbursements of funds received from City Court costs and used in connection with City Marshal operating expenditures. These funds are collected by the City of West Monroe then distributed to the Marshal by the City

Marshal's LARS Special Operating Fund and Capital Improvement Fund - The Marshal's Special Operating Fund and Capital Improvement Fund are used to account for receipts and disbursements of funds received from City Court costs and used in connection with the City Marshal's other operating expenditures.

Marshal's Other Agency Fund - The Marshal's Other Agency Fund accounts for the collection and the remittance of the fees received from other agencies for the Marshal's assistance in cases outside its jurisdiction.

Fiduciary Funds

The only funds accounted for in this category by the Marshal are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use 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.

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.

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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, 2013, 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.

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.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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; 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.

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

G. Fund Equity (continued)

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.

Note 2 - Budgets and Budgetary Accounting

No budget is prepared by the City Marshal since there are no operations to budget for. The operations are provided by the City of West Monroe, Louisiana and therefore budgets for the marshal operations in its reporting entity.

Note 3 - Cash

At June 30, 2013, the City Marshal had cash (book balances) totaling \$95,686 as follows.

Governmental Funds

General Fund

Special Operating Fund	\$ 18,801
Capital Improvement Fund	9,762
LARS Special Operating	11
Other Agency Service Fund	<u>496</u>
Total Governmental Funds	\$ 29,070

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 3 - Cash (continued)

Fiduciary (Agency) Funds:	
Garnishment Fund	\$ 129
Sales and Seizures Fund	2,062
Cash Bond and Forfeitures Fund	<u>64,425</u>
Total Fiduciary Funds	<u>66,616</u>
Total - All Funds	<u>\$ 95,686</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, 2013, these deposits were collateralized in full.

Note 4 - Changes in Agency Fund Deposits Due Others

A summary of changes in agency fund deposits due others follows:

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>End</u> <u>of Year</u>
Agency Funds:				
Garnishment Recipients, West Monroe, Louisiana	\$ 5,959	\$ 350,333	\$ 356,164	\$ 128
Sales and Seizures Proceeds, City Marshal, West Monroe, Louisiana	2,385	7,500	7,823	2,062
Bond Refunds, City Marshal, West Monroe, Louisiana	<u>64,082</u>	<u>78,810</u>	<u>78,466</u>	<u>64,426</u>
	<u>\$ 72,426</u>	<u>\$ 436,643</u>	<u>\$ 442,453</u>	<u>\$ 66,616</u>

Note 5 - Expenditures of the Marshal Paid by the City

The Marshal's administrative office is located in a building owned by the City of West Monroe. The costs of maintaining and operating the building, as required by statute, are paid by the City government and are not included in the accompanying financial statements.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 6 - Prior Period Restatement

An amount payable to the City of West Monroe, Louisiana for salaries and related benefits of the City Marshal's staff from prior years totaling \$293,470 was cleared as an adjustment through beginning fund balance of the General Fund. A new agreement has been set up with the City of West Monroe, Louisiana.

Prior years are not presented on the statement of activities; therefore the prior period adjustments are presented as an adjustment to opening net position on the statement of activities.

Note 7 - Subsequent Events

Subsequent events have been evaluated through December 19, 2013, 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.

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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, 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, each major fund, and the aggregate remaining fund information 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, 2013, 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 19, 2013

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Marshal's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Marshal's internal control over financial reporting.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses as items 13-1, 13-2 and 13-3.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding 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.

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

However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies 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 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 are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 12-3

The City Marshal of West Monroe, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City Marshal of West Monroe, Louisiana's response 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 19, 2013

**CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013, and have issued our report thereon dated December 19, 2013. 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, 2013, 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 ___ no
 Significant Deficiencies not considered to be
 Material Weaknesses ___ yes no

Compliance

Compliance Material to Financial Statements 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 Circular A-133, Section .510 (a)? N/A

C. Identification of Major Programs. N/A

Name of Federal Program (or cluster)
 CFDA 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 OMB Circular A-133? N/A

**CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

Section II- Financial Statement Findings

13-1 Deposit Cash Receipts On a Timely Basis

Condition.

It was noted during the audit that there were some instances of cash not being deposited on a timely basis.

Criteria:

Deposits should be made timely to reduce the risk of loss from burglary, misplacement or misappropriation.

Recommendation:

We recommend the City Marshal make deposits timely to reduce the risk of loss or misappropriations.

Response:

The City Marshal is reiterating the importance of timely deposits and setting up procedures to make sure deposits are made on a timely basis.

13-2 Improving Timely Bank Reconciliations

Condition:

During the audit, it was noted that there were some instances that bank reconciliations were not done on a timely basis.

Criteria:

Bank accounts should be reconciled on a timely basis to reduce the risk of errors and/or other problems not being recognized and resolved timely.

Recommendation:

We recommend the City Marshal reconcile, on a monthly basis, to show an accurate cash balance and to prevent errors or misappropriations.

Response:

The City Marshal has reassigned duties within the department that has improved the reconciliation process.

CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013 (continued)

13-3

Cash Receipts Not Deposited

Condition:

During the audit, two instances of cash being receipted but not deposited into the bank account were discovered. The amount the staff was unable to locate was \$3,300, and it was not entered into the accounting system.

Criteria:

Receipts should be deposited timely and entered into the accounting system timely to reduce the risk of loss or misappropriations.

Recommendation:

In accordance with RS: 24:523 we recommend that the Marshal's office notify the Louisiana Legislative Auditor and the District Attorney of the missing funds. The Marshal should continue to strengthen controls over cash receipts to help reduce the risk of misappropriations or theft happening in the future

Response:

The City Marshal is has agreed to notify the Louisiana Legislative Auditor and the District Attorney in writing about the missing cash. The Marshal has changed personnel and the process over cash receipts.

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, 2013

Section I- Internal Control and Compliance Material to the Financial Statements

12-1 Improving Timely Bank Reconciliations

Condition:

During the audit, it was noted that there were some instances that bank reconciliations were not done on a timely basis.

Recommendation:

We recommend the City Marshal reconcile, on a monthly basis, to show an accurate cash balance and to prevent errors or misappropriations.

Current Status:

There are still instances of deposits not being made timely.

12-2 Deposit Cash Receipts On a Timely Basis

Condition:

It was noted during the audit that there were some instances of cash not being deposited on a timely basis.

Recommendation:

We recommend the City Marshal make deposits timely to reduce the risk of loss or misappropriations.

Current Status:

There are still instances of deposits not being made timely.

12-3 Accounting For Garnishment Funds

Condition:

During the audit it was noted that the garnishment bank account had funds that were not specifically assigned to a case.

Recommendation:

We recommend the City Marshal put procedures in place to properly account for garnishment funds and any unclaimed funds be turned over to the proper authorities.

**CITY MARSHAL
OF WEST MONROE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

12-3 Accounting For Garnishment Funds (continued)

Current Status:

The City Marshal's office match up their records to the garnishment bank account and any excess funds that cannot be traced to a specific case are turned over the proper authorities

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.