

CITY MARSHAL
OF WEST MONROE, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2018



CITY MARSHAL
OF WEST MONROE, LOUISIANA

JUNE 30, 2018

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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, 2018, 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, 2018, 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.

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 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 25 is 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 October 11, 2018, 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.

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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, 2018. 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 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 \$10,231 and \$11,978 as of June 30, 2018 and 2017, respectively.

The Marshal's assets totaling \$13,031 consists of cash and accounts receivable.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current Assets	\$ 13,031	\$ 14,778
Current Liabilities	<u>2,800</u>	<u>2,800</u>
Total Net Position	<u>\$ 10,231</u>	<u>\$ 11,978</u>

Changes in Net Position

The Marshal's net position decreased by \$1,747 during the year ended June 30, 2018 compared to a decrease of \$25,122 during the prior year. The Marshal's total revenues derived from program revenue during the current year increased \$17,376 from the prior year, mainly due to an increase in on-behalf payments from the City of West Monroe. Expenses decreased \$5,999 due primarily to an decrease in staff salaries and security expense.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		
Program Revenues:		
Court Costs	\$ 69,107	\$ 86,367
Intergovernmental – COWM	<u>521,467</u>	<u>486,831</u>
Total Revenues	590,574	573,198
Total Expenses	592,321	598,320
Total Transfers In	-	-
Total Transfers Out	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	(1,747)	(25,122)
Net Position – Beginning of Year	11,978	37,100
Net Position – End of Year	<u>\$ 10,231</u>	<u>\$ 11,978</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, 2018.

As of June 30, 2018, the Marshal's governmental fund reported a combined ending fund balance of \$10,231, a decrease of \$1,747 compared to the prior year. The decrease is due mainly to an increase in staff salaries and security services.

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, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 4,496
Accounts Receivable	8,535
Total Assets	<u>\$ 13,031</u>
<u>LIABILITIES</u>	
Due To Other Funds	<u>\$ 2,800</u>
Total Liabilities	<u>2,800</u>
<u>NET POSITION</u>	
Unrestricted Net Position	10,231
Total Net Position	<u>\$ 10,231</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, 2018

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and Changes</u> <u>in Net Assets</u> <u>Government Activities</u>
		<u>Charges</u> <u>for</u> <u>Services</u>	<u>Intergovernmental -</u> <u>City of West</u> <u>Monroe</u>	
Judicial:				
Salaries/Related Expenses	\$ 469,446	\$ 69,107	\$ 521,467	\$ 121,128
Operating Expense	<u>122,875</u>	<u>-</u>	<u>-</u>	<u>(122,875)</u>
Total Governmental Activities	<u>\$ 592,321</u>	<u>\$ 69,107</u>	<u>\$ 521,467</u>	<u>\$ (1,747)</u>
				Change in Net Position (1,747)
				<u>Net Position July 1, 2017</u> 11,978
				<u>Net Position June 30, 2018</u> <u>\$ 10,231</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, 2018

<u>ASSETS</u>	General Fund
Cash	\$ 4,496
Accounts Receivable	8,535
<u>TOTAL ASSETS</u>	\$ 13,031
<u>LIABILITIES</u>	
Due to Other Funds	\$ 2,800
<u>FUND BALANCE</u>	
Unassigned Fund Balance	10,231
Total Fund Balance	10,231
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	\$ 13,031

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, 2018

	General Fund
Revenues:	
Court Costs and Commissions	\$ 69,107
Intergovernmental - City of West Monroe	521,467
Total Revenues	590,574
Expenditures:	
Salaries - Staff	469,446
Security	62,289
Seminars	797
Other Reductions	13,415
Supplies	46,374
Total Expenditures	592,321
Deficiency of Revenues Over Expenditures	(1,747)
Fund Balance at Beginning of Year	11,978
Fund Balance at End of Year	\$ 10,231

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, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 98,720
Accounts Receivable	<u>9,416</u>
<u>TOTAL ASSETS</u>	<u>\$ 108,136</u>
<u>LIABILITIES</u>	
Deposits Due to Others	<u>\$ 108,136</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 108,136</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, 2018

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, 2018

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 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, 2018

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

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.

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, 2018, 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.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

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.

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.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 - Summary of Significant Accounting Policies (continued)

G. Fund Equity (continued)

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, 2018, the City Marshal had cash (book balances) totaling \$103,216 as follows.

Governmental Funds:

General Fund	\$ 4,496
Total Governmental Funds	\$ 4,496

Fiduciary (Agency) Funds:

Garnishment Fund	\$ (572)
Sales and Seizures Fund	2,228
Cash Bond and Forfeitures Fund	<u>97,064</u>
Total Fiduciary Funds	<u>98,720</u>
Total – All Funds	<u>\$ 103,216</u>

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 3 - Cash (continued)

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, 2018, 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	\$ 2,002	\$ 503,623	\$ 502,876	\$ 2,749
Sales and Seizures Proceeds, City Marshal, West Monroe, Louisiana	2,160	9,013	8,945	2,228
Bond Refunds, City Marshal, West Monroe, Louisiana	<u>102,959</u>	<u>89,070</u>	<u>88,870</u>	<u>103,159</u>
	<u>\$ 107,121</u>	<u>\$ 601,706</u>	<u>\$ 600,691</u>	<u>\$ 108,136</u>

Note 5 - 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 \$521,467 for the Marshal for the year ended June 30, 2018, as follows:

Salaries (including sick pay and vacation pay)	\$ 327,368
Fringe Benefits	141,026
Operating Expenses	<u>53,073</u>
Total	<u>\$ 521,467</u>

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 6 - Subsequent Events

Subsequent events have been evaluated through October 11, 2018, 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.

CAMERON, HINES & COMPANY

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Certified Public Accountants

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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, 2018, 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 October 11, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Marshal's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 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.

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 no instances of noncompliance or other matters that are required to be reported *Government Auditing Standards*.

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
October 11, 2018

**CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, and have issued our report thereon dated October 11, 2018. 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, 2018, 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 ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X 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)
 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 the Uniform Guidance? N/A

**CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2018 (continued)**

Section II- Financial Statement Findings

None

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, 2018

There were no audit findings reported in the audit for the year ended June 30, 2017.

CITY MARSHAL OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2018

Agency Head

William Guyton
City Marshal

Paid by the City of West Monroe, Louisiana

Salary	43,347
Cell Phone	480
Car Allowance	7,500
Benefits - Insurance	7,904
Benefits - Retirement	12,711

Paid by the West Monroe Marshal

Service Returns/Housing Evictions	29,584
Sales and Seizures	4,427
Garnishments	30,924

Paid by the State of Louisiana

State Supplemental	6,000
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\$ 142,877

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the West Monroe City Marshal and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the West Monroe City Marshal (Marshal) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Marshal's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the Marshal's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Marshal's operations):¹
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Marshal's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: No exceptions noted.

Bank Reconciliations

- 2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Marshal's main operating account. Select the Marshal's main operating account and randomly select 4 additional accounts³ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

³ Accounts selected may exclude savings and investment accounts that are not part of the THE MARSHAL's daily business operations.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: One exception noted where there was no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

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

- 3. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Findings: We obtained the listing and management's representation.

- 4. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: One exception noted where at least two employees are not involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- 5. For each location selected under #8 above, obtain the Marshal's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: No exceptions noted.

Other

6. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Marshal reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Marshal is domiciled.

Findings: The Marshal did not have any misappropriations of public funds and assets during the fiscal period. This testing is not applicable.

7. Observe that the Marshal has posted on its premises⁴ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.⁵

Findings: No exceptions noted.

Management's Response

We concur with the results of the procedures and are working diligently to improve controls.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
October 11, 2018

⁴ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

⁵ This notice is available for download or print at www.la.la.gov/hotline.