

CITY MARSHAL
OF WEST MONROE, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2017



CITY MARSHAL
OF WEST MONROE, LOUISIANA

JUNE 30, 2017

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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, 2017, 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, 2017, 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 November 20, 2017, 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, 2017. 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 \$11,978 and \$37,100 as of June 30, 2017 and 2016, respectively.

The Marshal's assets totaling \$14,778 consists of cash and accounts receivable.

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current Assets	\$ 14,778	\$ 37,600
Current Liabilities	<u>2,800</u>	<u>500</u>
Total Net Position	<u>\$ 11,978</u>	<u>\$ 37,100</u>

Changes in Net Position

The Marshal's net position decreased by \$25,122 during the year ended June 30, 2017 compared to an increase of \$6,196 during the prior year. The Marshal's total revenues derived from program revenue during the current year increased \$10,375 from the prior year, mainly due to an increase in on-behalf payments from the City of West Monroe. Expenses increased \$41,693 due primarily to an increase in staff salaries and security expense.

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Court Costs	\$ 86,367	\$ 113,268
Intergovernmental – COWM	<u>486,831</u>	<u>449,555</u>
Total Revenues	573,198	562,823
Total Expenses	598,320	556,627
Total Transfers In	-	-
Total Transfers Out	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	(25,122)	6,196
Net Position – Beginning of Year	37,100	30,904
Net Position – End of Year	<u>\$ 11,978</u>	<u>\$ 37,100</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, 2017.

As of June 30, 2017, the Marshal's governmental fund reported a combined ending fund balance of \$11,978, a decrease of \$25,122 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, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 5,915
Accounts Receivable	8,863
Total Assets	<u>\$ 14,778</u>
<u>LIABILITIES</u>	
Due To Other Funds	\$ 2,800
Total Liabilities	<u>2,800</u>
<u>NET POSITION</u>	
Unrestricted Net Position	11,978
Total Net Position	<u>\$ 11,978</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, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets in Net Assets Government Activities</u>
		<u>Charges for Services</u>	<u>Intergovernmental - City of West Monroe</u>	
Judicial:				
Salaries/Related Expenses	\$ 452,663	\$ 86,367	\$ 486,831	\$ 120,535
Operating Expense	<u>145,657</u>	<u>-</u>	<u>-</u>	<u>(145,657)</u>
Total Governmental Activities	<u>\$ 598,320</u>	<u>\$ 86,367</u>	<u>\$ 486,831</u>	<u>\$ (25,122)</u>
				Change in Net Position (25,122)
				<u>Net Position July 1, 2016</u> 37,100
				<u>Net Position June 30, 2017</u> <u>\$ 11,978</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, 2017

<u>ASSETS</u>	<u>General Fund</u>
Cash	\$ 5,915
Accounts Receivable	8,863
<u>TOTAL ASSETS</u>	<u>\$ 14,778</u>
<u>LIABILITIES</u>	
Due to Other Funds	<u>\$ 2,800</u>
<u>FUND BALANCE</u>	
Unassigned Fund Balance	<u>11,978</u>
Total Fund Balance	<u>11,978</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 14,778</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, 2017

	General Fund
Revenues:	
Court Costs and Commissions	\$ 86,367
Intergovernmental - City of West Monroe	486,831
Total Revenues	573,198
Expenditures:	
Salaries - Staff	452,663
Security	77,473
Seminars	200
Other Reductions	15,054
Supplies	52,930
Total Expenditures	598,320
Deficiency of Revenues Over Expenditures	(25,122)
Fund Balance at	
Beginning of Year	37,100
Fund Balance at End of Year	\$ 11,978

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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ <u>107,121</u>
<u>TOTAL ASSETS</u>	\$ <u><u>107,121</u></u>
<u>LIABILITIES</u>	
Deposits Due to Others	\$ <u>107,121</u>
<u>TOTAL LIABILITIES</u>	\$ <u><u>107,121</u></u>

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

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

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, 2017

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, 2017, 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, 2017

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, 2017

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, 2017

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, 2017, the City Marshal had cash (book balances) totaling \$ as follows.
Governmental Funds:

General Fund	\$ 5,915
Total Governmental Funds	\$ 5,915

Fiduciary (Agency) Funds:	
Garnishment Fund	\$ 2,002
Sales and Seizures Fund	2,160
Cash Bond and Forfeitures Fund	<u>102,959</u>
Total Fiduciary Funds	<u>107,121</u>
Total – All Funds	<u>\$ 113,036</u>

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, 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	\$ (3,808)	\$ 394,764	\$ 388,954	\$ 2,002
Sales and Seizures Proceeds, City Marshal, West Monroe, Louisiana	2,431	6,281	6,552	2,160
Bond Refunds, City Marshal, West Monroe, Louisiana	<u>86,944</u>	<u>83,895</u>	<u>67,880</u>	<u>102,959</u>
	<u>\$ 85,567</u>	<u>\$ 484,940</u>	<u>\$ 463,386</u>	<u>\$ 107,121</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 \$486,831 for the Marshal for the year ended June 30, 2017, as follows:

Salaries (including sick pay and vacation pay)	\$ 313,716
Fringe Benefits	116,713
Operating Expenses	<u>56,402</u>
Total	<u>\$ 486,831</u>

CITY MARSHAL
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Note 6 - Subsequent Events

Subsequent events have been evaluated through November 20, 2017, 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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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, 2017, 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 November 20, 2017.

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
November 20, 2017

CITY MARSHAL OF
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, and have issued our report thereon dated November 20, 2017. 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, 2017, 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 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 QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017 (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, 2017

There were no audit findings reported in the audit for the year ended June 30, 2016.

**CITY MARSHAL OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
JUNE 30, 2017**

Agency Head
 William Guyton
 City Marshal

Paid by the City of West Monroe, Louisiana

Salary	42,497
Cell Phone	480
Car Allowance	7,500
Benefits - Insurance	5,700
Benefits - Retirement	9,774

Paid by the West Monroe Marshal

Service Returns/Housing Evictions	27,375
Sales and Seizures	2,981
Garnishments	23,613

Paid by the State of Louisiana

State Supplemental	6,000
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\$ 125,920

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INDEPENDENT ACCOUNTANT'S 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, 2016 through June 30, 2017. 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 the Marshal's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Court does not have any written policies and procedures), as applicable:
 - 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***, including receiving, recording, and preparing deposits
 - 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, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, 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 Court's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings: Eight exceptions noted where the policies of the Court did not meet the requirements set in the AUP guide, simply because they were not written.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the Court's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Findings: The Marshal does not have board or committee meetings. Therefore the items for #2 above are not applicable.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

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

4. Using the listing provided by management, select all of the Marshal's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or an immediate supervisor (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Findings: Four exceptions were noted where there was no documentation reflecting that the Court had researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

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

6. Using the listing provided by management, select all of the Marshal's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
 - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded,

(2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the Marshal has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using Marshal's collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Findings: No exceptions noted.

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Marshal has a process specifically defined (identified as such by the Marshal) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Findings: No exceptions noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Findings: We obtained the general ledger and management's representation.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Marshal had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Findings: Four exceptions noted where purchases were not initiated using a purchase order system, purchase orders were not approved by a person who did not initiate the purchase, and payments for purchases were processed without an approved requisition or purchase order.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the Marshal's purchasing/disbursement system.

Findings: No exceptions noted.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Findings: No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Findings: No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Findings: No signature stamp or signature machine is used by the Marshal. This step is not applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the Marshal has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Findings: This step is not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Marshal's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a

large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

- c) For each transaction, compare the Marshal's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Findings: This step is not applicable.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Findings: We obtained the general ledger and noted that the Marshal did not have any travel and related expense reimbursements. We obtained management's representation.

18. Obtain the Marshal's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Findings: This step is not applicable.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the Court does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the Marshal's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: This step is not applicable.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Findings: We obtained the general ledger and noted that the Marshal did not have any contracts in effect during the fiscal period. We obtained management's representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the Marshal complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the Marshal solicited quotes as a best practice.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Findings: This step is not applicable.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Findings: We noted that all the Marshal's employees are paid by the City of West Monroe. Therefore, this step is not applicable. We obtained management's representation.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the Marshal had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the Marshal maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Findings: We noted that all attendance and leave records for the Marshal's employees are kept by the City of West Monroe. Therefore, this step is not applicable.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Findings: We noted that all personnel records for the Marshal's employees are kept by the City of West Monroe. Therefore, this step is not applicable.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Findings: We noted that all payroll tax and retirement contributions for the Marshal's employees were paid for by the City of West Monroe for the fiscal period. Therefore, this step is not applicable.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the Marshal maintained documentation to demonstrate that required ethics training was completed.

Findings: Since all payroll transactions for the Marshal's employees is handled by the City of West Monroe, there were no payroll transactions to test for the Marshal. We randomly selected five employees for this testing. No exceptions were noted.

27. Inquire of management whether any alleged ethics violations were reported to the Marshal during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the Marshal's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Findings: We noted that no alleged ethics violations were reported to the Marshal during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the Marshal and report whether State Bond Commission approval was obtained.

Findings: We noted that no debt was issued during the fiscal period.

29. If the Marshal had outstanding debt during the fiscal period, obtain supporting documentation from the Marshal and report whether the Marshal made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Findings: We noted that the Marshal did not have any outstanding debt during the fiscal period.

30. If the Marshal had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Findings: We noted that the Marshal does not have tax millages relating to debt service.

Other

31. Inquire of management whether the Marshal had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the Marshal reported the misappropriation to the legislative auditor and the district attorney of the parish in which the Marshal is domiciled.

Findings: We noted that there were no misappropriations of public funds or assets reported to the Marshal.

32. Observe and report whether the Marshal has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: We noted that the Marshal had not posted, either on its premises or website, the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Findings: We did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.

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

November 20, 2017