

EUNICE CITY MARSHALL

REVIEWED FINANCIAL REPORT

JUNE 30, 2019

TABLE OF CONTENTS

Independent Accountant's Review Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	3
Statement of Activities	4
FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet-Governmental Funds	5
Reconciliation of the Government Funds Balance Sheet to the statement of net position	6
Statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	7
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	8
AGENCY FUND	
Statement of Fiduciary Assets and Liabilities - Agency Fund	9
Statement of Changes in Fiduciary Assets and Liabilities - Agency Fund	10
Notes to Financial Statements	11 - 20
REQUIRED SUPPLEMENTARY INFORMATION	
Budget comparison schedule	22
Notes to the Budgetary Comparison Schedules	23
Schedule of Compensation, Benefits and Other Payments to Agency Head	24
ATTESTATION REPORT	25 - 28
SCHEDULE OF FINDINGS AND RESPONSES	29
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES	30
LOUISIANA ATTESTATION QUESTIONNAIRE	31 - 32

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Terry Darbonne
City Marshal of Eunice, Louisiana
Eunice, Louisiana 70535

We have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Eunice, 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 basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

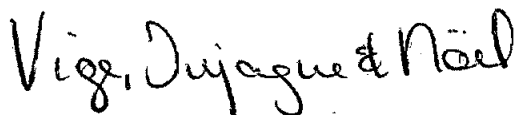
Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the representation of management. We have not audited or reviewed such required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The Management Discussion and Analysis, 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.

Supplementary Information

The schedule of compensation, benefits and other payments to agency head, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed this information and, accordingly, do not express an opinion or provide any assurance on such supplemental information.

In accordance with the Louisiana Government Audit Guide and the provisions of State law, we have issued a report, dated December 17, 2019, on the results of our agreed upon procedures.



Vige, Tujague & Noel
Eunice, Louisiana
December 17, 2019

Government Wide Financial Statements (GWFS)

EUNICE CITY MARSHAL
Statement of Net Position
June 30, 2019

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 52,607
Savings	88,012
Due from City Court	<u>3,369</u>

<u>Total Current Assets</u>	<u>143,988</u>
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Non-Current Assets

Capital Assets	
Automobile	156,548
Furniture & Equipment	43,226
Accumulated Depreciation	<u>(122,174)</u>
<u>Net Capital Assets</u>	<u>77,600</u>

<u>Total Non-Current Assets</u>	<u>77,600</u>
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<u>Total Assets</u>	<u>221,588</u>
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LIABILITIES

Current Liabilities

Accounts Payable	945
Lease Payable	<u>20,638</u>

<u>Total Current Liabilities</u>	<u>21,583</u>
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Non Current Liabilities

Lease Payable	<u>2,768</u>
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<u>Total Non Current Liabilities</u>	<u>2,768</u>
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<u>Total Liabilities</u>	<u>24,351</u>
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NET POSITION

Invested in capital assets, net of related debt	56,962
Unrestricted	<u>140,275</u>

<u>Total Net Position</u>	<u>\$ 197,237</u>
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See accompanying notes and independent accountant's review report.

EUNICE CITY MARSHAL
Statement of Activities
For the Year Ended June 30, 2019

	<u>Expenses</u>	<u>Program Revenue</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expenses) Revenues</u> <u>and Change in Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:			
General Government	<u>\$252,400</u>	<u>\$ 42,834</u>	<u>\$ (209,566)</u>
Total Governmental Activities	<u>\$252,400</u>	<u>\$ 42,834</u>	<u>(209,566)</u>
General Revenues:			
Intergovernmental reimbursements			197,669
Investment earnings			539
Gain (loss) on sale of capital assets			<u>-</u>
Total general revenues			<u>198,208</u>
Change in net position			(11,358)
Net position - July 1, 2018			<u>208,595</u>
Net position - June 30, 2019			<u>\$ 197,237</u>

See accompanying notes and independent accountant's review report.

Fund Financial Statements (FFS)

EUNICE CITY MARSHAL

Balance Sheet

Governmental Funds

June 30, 2019

ASSETS

Current Assets

Cash and Cash Equivalents \$ 52,607

Savings 88,012

Total Current Assets 140,619

Total Assets \$ 140,619

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts Payable \$ 945

Total Current Liabilities 945

Total Liabilities 945

FUND BALANCE

Unassigned 139,674

Total Fund Balance 139,674

Total Liabilities and Fund Balance \$ 140,619

See accompanying notes and independent accountant's review report.

EUNICE CITY MARSHAL
Reconciliation of the Government Funds Balance Sheet
To the Statement of Net Position
June 30, 2019

Total Fund Balance for Governmental Funds at June 30, 2019	\$ 139,674
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Automobile, net of \$91,555 accumulated depreciation	\$ 64,993	
Equipment & Furniture, net of \$30,619 accumulated depreciation	<u>12,607</u>	
Total capital assets		77,600

Some liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(23,406)
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Revenues which were not measurable at year end and not considered available as current financial resources at year end	
Due from city court	<u>3,369</u>

Total Net Position of Governmental Activities at June 30, 2019	<u><u>\$ 197,237</u></u>
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EUNICE CITY MARSHAL
Statement of Revenues, Expenditures and Changes
In Fund Balance
Governmental Fund Type- General Fund
For the Year Ended June 30, 2019

Revenues:

Fees Earned	\$ 36,847
Intergovernmental Reimbursements	197,669
Miscellaneous	<u>5,987</u>
Total Revenues	<u>240,503</u>

Expenditures:

Operating Services	34,088
Professional Services	2,575
Salaries and Fringe Benefits	175,262
Materials and Supplies	5,075
Other	3,921
Interest on Debt	2,149
Principal Payments on Debt	<u>19,474</u>
Total Expenditures	<u>242,544</u>
Excess (deficiency) of Revenues over Expenditures	<u>(2,041)</u>

Other Financing Sources (uses):

Investment Earnings	<u>539</u>
Total other Financing Sources (uses)	<u>539</u>
Net Change in Fund Balance	(1,502)
Fund Balance-Beginning	<u>141,176</u>
Fund Balance-Ending	<u>\$139,674</u>

See accompanying notes and independent accountant's review report.

EUNICE CITY MARSHAL
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2019

Total net changes in fund balance at June 30, 2019 per statement of revenues, expenditures, and changes in fund balance	\$ (1,502)
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the statement of revenues, expenditures, and changes in fund balance

Depreciation expense for the year ended June 30, 2019	(29,330)	(29,330)
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Payments on long term debt		19,474
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Total changes in net position at June 30, 2019 per statement of activities	\$ (11,358)
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EUNICE CITY MARSHAL
Agency Fund
Statement of Assets and Liabilities
June 30, 2019

FIDUCIARY
FUND TYPE
Garnishment Fund

ASSETS

Cash	\$ 3,822
Total Assets	<u>\$ 3,822</u>

LIABILITIES

Due to others	\$ 3,822
Total liabilities	<u>\$ 3,822</u>

See accompanying notes and independent accountant's review report.

EUNICE CITY MARSHAL
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2019

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Cash and cash equivalents	\$ 3,822	\$ 197,081	\$ (197,092)	\$ 3,811
Total Assets	<u>3,822</u>	<u>197,081</u>	<u>(197,092)</u>	<u>3,811</u>
Due to Marshal	3,822	197,081	(197,092)	3,811
Total Liabilities	<u>\$ 3,822</u>	<u>\$ 197,081</u>	<u>\$ (197,092)</u>	<u>\$ 3,811</u>

See accompanying notes and independent accountant's review report.

EUNICE CITY MARSHALL
Notes to the Financial Statements
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practices of the City Marshal of Eunice, Louisiana conform to generally accepted accounting principles of the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants. The following is a summary of certain significant accounting policies:

Reporting Entity

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999. For financial reporting purposes, in conformance with GASB codification Section 2100, the City Marshal of Eunice, Louisiana financial statements include all governmental activities, funds, account groups, and activities that are controlled by the Marshal as an independently elected parish official. As an independently elected official, the Marshal is solely responsible for the operations of his office. Accordingly, the Marshal's office is a separate governmental reporting entity. Certain units of the local government over which the Marshal's office exercises no oversight responsibility, such as the parish commission, other independently elected parish officials, and municipalities within the parish excluded from accompanying general purpose financial statements. These units of the government are considered separate reporting entities and issue general purpose financial statements separate from that of the Marshal's Office.

Basis of Presentation

Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities display information about the City Marshal of Eunice, Louisiana as a whole. The statements distinguish between governmental and business type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

EUNICE CITY MARSHALL
Notes to the Financial Statements
June 30, 2019

The statement of activities presents a comparison between direct expenses and program revenues for the City Marshal of Eunice, Louisiana's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the programs, and (b) requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statement:

The City Marshal of Eunice, Louisiana uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

General Fund:

The general fund, a governmental fund type, is the general operating fund of the City Marshal of Eunice, Louisiana. It is used to account for all financial resources of the City Marshal of Eunice, Louisiana except those to be accounted for in other funds.

Fiduciary Funds:

Fiduciary funds' reporting focuses on a net position and changes in net position. The only funds accounted for in this category by the Marshal are agency funds. The Marshal maintains an agency fund: the Garnishment Fund. This fund is 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 modified accrual basis of accounting.

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 Marshal for costs incurred in collecting and distributing the funds.

Measurement Focus, Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

EUNICE CITY MARSHALL
Notes to the Financial Statements
June 30, 2019

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as described below.

In the fund financial statements, the "current financial resources" measurements focus or the economic resources measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as new current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the current fiscal period.

Expenditures are generally recognized under modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

Program Revenues

Amounts reported as program revenues include 1) charges to The Eunice City Court and St Landry Parish District Attorney for services, or privileges provided.

EUNICE CITY MARSHALL
Notes to the Financial Statements
June 30, 2019

Allocation of indirect expenses

The reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to these functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with generally accepted principles 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Budgetary Accounting

The City Marshal of Eunice, Louisiana is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended prior to year end.

Cash and Cash Equivalents

Cash includes amounts in demand deposit, interest – bearing demand, and time 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 municipality 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.

Interest-bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities columns of the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost or estimated cost if historical cost is not available. The City Marshal of Eunice, Louisiana maintains a threshold level of \$500 or more for capitalizing capital assets.

EUNICE CITY MARSHAL
Notes to the Financial Statements
June 30, 2019

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment and Furniture	5-10 years
Vehicles	7-10 years

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consist of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The City Marshal of Eunice, Louisiana's policy is to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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.

EUNICE CITY MARSHAL
Notes to the Financial Statements
June 30, 2019

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 Marshal of Eunice. Those committed amounts cannot be used for any other purpose unless the marshal removes the specified use by taking the same type of action imposing the commitment.

This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the marshal's "intent" to be used for specific purposes but are neither restricted nor committed. The marshal 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 non spendable 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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Marshal considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Marshal considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Marshal has provided otherwise in its commitment or assignment actions.

Revenues, Expenditures, and Expenses

Program Revenues:

Program revenues consist of fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses:

In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, expenditures are classified by character.

EUNICE CITY MARSHALL
Notes to the Financial Statements
June 30, 2019

In the fund financial statements, governmental funds report expenditures of financial resources.

NOTE 2 CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the City Marshal of Eunice, Louisiana are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City Marshal will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Marshal that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Marshal's name.

Bank account balances at June 30, 2019, totaled \$144,441, and of this amount \$250,000 was secured by FDIC Insurance.

NOTE 3 EVALUATION OF SUBSEQUENT EVENTS

The project has evaluated subsequent events through December 17, 2019, the date which the financial statements were available to be issued.

NOTE 4 ESTIMATES

The preparation of financial statements in conformity with United States generally accepted accounting principles requires the Marshal to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EUNICE CITY MARSHALL
Notes to the Financial Statements
June 30, 2019

NOTE 5 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Furniture and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Balance, 7/01/2018	\$ 43,226	\$156,548	\$199,774
Additions	-	-	-
Deletions	-	-	-
Balance, 06/30/2019	<u>43,226</u>	<u>156,548</u>	<u>199,774</u>
Less Accumulated Depreciation			
Balance, 7/01/2018	26,853	65,991	92,844
Additions	3,766	25,564	29,330
Deletions	-	-	-
Balance, 06/30/2019	<u>30,619</u>	<u>91,555</u>	<u>122,174</u>
Governmental activities, Capital Assets, net	<u>\$ 12,607</u>	<u>\$ 64,993</u>	<u>\$ 77,600</u>

The land and building in which the City Marshal operates is owned by the City of Eunice.

NOTE 6 OTHER SUPPORT / CONCENTRATION OF RISK

The City Marshal receives other support from the City of Eunice. In addition to office space, the City of Eunice provides utilities, janitorial, telephone, payroll support and other expenditures. All court cases arise within Ward 6 of St. Landry Parish, Louisiana.

NOTE 7 ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

The Eunice City Marshal and employees receive salaries (including benefits) directly from the following entities. These amounts are recorded in these financial statements.

St. Landry Parish	\$ 10,474
City of Eunice	138,018
Eunice City Court Civil Fees	8,770
State of Louisiana	18,000
	<u>\$ 175,262</u>

NOTE 8 LONG TERM DEBT

The Marshal entered into a capital lease with Ford Motor Credit Company on December 9, 2015, in the amount of \$27,368, for the purchase of a vehicle. The lease was paid in full as of June 30, 2019.

EUNICE CITY MARSHAL
Notes to Financial Statements
June 30, 2019

The Marshal entered into a capital lease with Ally Financial on November 21, 2017, in the amount of \$31,459, for the purchase of a vehicle. Future lease payments as of June 30, 2019 are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 10,742	\$ 474	\$ 11,216
2021	2,768	35	2,803
	<u>\$ 13,510</u>	<u>\$ 509</u>	<u>\$ 14,019</u>

The Marshal entered into a capital lease with Ally Financial on September 22, 2017, in the amount of \$28,749, for the purchase of a vehicle. Future lease payments as of June 30, 2019 are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 9,896	\$ 510	\$ 10,406
	<u>\$ 9,896</u>	<u>\$ 510</u>	<u>\$ 10,406</u>

NOTE 9 ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following Statements which will become effective in futures years as shown below:

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments would include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and

EUNICE CITY MARSHAL
Notes to Financial Statements
June 30, 2019

significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

EUNICE CITY MARSHAL
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fees earned	\$ 50,000	\$ 44,600	\$ 36,847	\$ (7,753)
Intergovernmental reimbursements	222,000	193,000	197,669	4,669
Miscellaneous	5,000	5,200	5,987	787
Total Revenues	<u>277,000</u>	<u>242,800</u>	<u>240,503</u>	<u>(2,297)</u>
<u>Expenditures:</u>				
Operating Services	35,000	35,100	34,088	1,012
Professional Services	3,000	2,600	2,575	25
Salaries and Fringe Benefits	182,000	177,000	175,262	1,738
Material and Supplies	4,000	5,200	5,075	125
Other	17,000	-	3,921	(3,921)
Capital Outlay	10,000	-	-	-
Interest on Debt	2,000	2,000	2,149	(149)
Principal Payments on Debt	20,000	19,600	19,474	126
Total Expenditures	<u>273,000</u>	<u>241,500</u>	<u>242,544</u>	<u>(1,044)</u>
Excess (Deficiency) of revenues over expenditures	<u>4,000</u>	<u>1,300</u>	<u>(2,041)</u>	<u>(3,341)</u>
<u>Other Financing Sources (uses)</u>				
Investment Earning	-	-	539	539
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>539</u>	<u>539</u>
Net Change in Fund Balance	4,000	1,300	(1,502)	(2,802)
Fund Balance- Beginning	<u>141,176</u>	<u>141,176</u>	<u>141,176</u>	<u>-</u>
Fund Balance- Ending	<u>\$145,176</u>	<u>\$142,476</u>	<u>\$139,674</u>	<u>\$ (2,802)</u>

See independent accountant's review report.

EUNICE CITY MARSHALL
Notes to Budgetary Comparison Schedules
June 30, 2019

1. Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

2. Budgetary Practices

The Marshal prepares and adopts a budget in accordance with R.S. 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting used by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting record is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

3. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended June 30, 2019:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Operating Fund	\$273,000	\$241,500	\$242,544	\$(1,044)

EUNICE CITY MARSHAL

Schedule of Compensation, Benefits and Other Payments to Agency Head For the Year Ended June 30, 2019

Agency Head Name: Terry Darbonne, Marshal

Service Period: 12 months

<u>Purpose</u>	<u>Amount</u>
Salary - City of Eunice	\$ 30,992
Salary - St. Landry Parish	9,600
Salary - Eunice City Court	8,770
Salary - State Supplemental Pay	6,000
Salary - City Marshal	15,141
Benefits - insurance	5,938
Benefits - retirement	8,058
	<u>\$ 84,499</u>

See independent accountant's review report.

VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

151 N. 2ND STREET
P. O. BOX 1006
EUNICE, LOUISIANA 70535

SHIRLEY VIGE, JR., C.P.A.
FRANK G. TUJAGUE, C.P.A.
DOMINIQUE M. NOEL, C.P.A.

TELEPHONE:
337-457-9324
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To City Marshal of Eunice, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by City Marshal of Eunice, Louisiana and the Louisiana Legislative Auditor, on the Marshal's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The City Marshal of Eunice, Louisiana's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

We noted no expenditures made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of employees and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The City Marshal of Eunice, Louisiana is not required to keep minutes.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year did not exceed budgeted amounts by 5% or more. Actual revenues did not fail to meet budgeted revenues by 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six disbursements indicated approval from the Marshal.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The City Marshal of Eunice, Louisiana had no requirements under the open meetings law.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned bank deposit slips and discussed deposits with management for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Marshal provided for a timely report.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Not applicable.

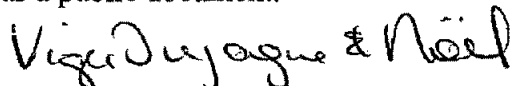
Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated December 20, 2018, did not include any suggestions, exceptions, recommendations, or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Marshal's compliance with the foregoing matters. 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 the Marshal's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.



Vigc, Tujague & Noël, CPA's
Eunice, Louisiana
December 17, 2019

EUNICE CITY MARSHALL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019

Current Findings:

#2019-001 Segregation of Accounting Functions

Condition: The Eunice City Marshal did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

Cause: The cause of the condition is the fact that the Marshal does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

EUNICE CITY MARSHALL
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019

#2018-001 Segregation of Accounting Functions

Condition: The Eunice City Marshal did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

Cause: The cause of the condition is the fact that the Marshal does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

_____ (Date Transmitted)

Vige, Tulague & Noel

P.O. Box 1006

Eunice, LA 70535

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☐ No ☒

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes ☒ No ☐

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes ☒ No ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes ☒ No ☐

The previous responses have been made to the best of our belief and knowledge.

Terry J. Dabone Marshal 7-29-19 Date