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BOSSIER CITY MARSHAL,
 a component unit of the City of Bossier City, Louisiana

Financial Statements

December 31, 1998

(With Independent Auditors' Report Thereon)

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

Release Date 7-21-99



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

Independent Auditors' Report

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the accompanying financial statements of the Bossier City Marshal, a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 1998. These financial statements are the responsibility of the Bossier City Marshal's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bossier City Marshal as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The year 2000 supplementary information on page 9 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the Bossier City Marshal is or will become year 2000 compliant, that the Bossier City Marshal's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Bossier City Marshal does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 1999, on our consideration of the Bossier City Marshal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

KPMG LLP

March 26, 1999



**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Combining Balance Sheet

December 31, 1998
with comparative totals for December 31, 1997

	Governmental Fund Types - Special Revenue			Agency Fund Traffic Fund	General Fixed Asset Account Group	Totals (Memorandum Only)	
	Contingency Fund	Garnishment Fund	General Fund			1998	1997
Assets							
Cash	\$ 72,931	36,305	11,275	-	-	120,511	152,997
Property and equipment	-	-	-	-	133,101	133,101	62,262
Due from City Court	5,420	-	-	-	-	5,420	4,480
Total assets	\$ 78,351	36,305	11,275	-	133,101	259,032	219,739
Liabilities, Fund Balances, and Other Credits							
Liabilities - accounts payable	-	36,305	-	-	-	36,305	35,193
Fund balances and other credits:							
Investment in general fixed assets	-	-	-	-	133,101	133,101	62,262
Fund balances - unreserved - undesignated	78,351	-	11,275	-	-	89,626	122,284
Total fund balances and other credits	78,351	-	11,275	-	133,101	222,727	184,546
Total liabilities, fund balances and other credits	\$ 78,351	36,305	11,275	-	133,101	259,032	219,739

See accompanying notes to financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance - Governmental Fund Types - Special Revenue

Year ended December 31, 1998
with comparative totals for the year ended December 31, 1997

	<u>Contingency Fund</u>	<u>Garnishment Fund</u>	<u>General Fund</u>	<u>Totals (Memorandum Only) 1998</u>	<u>1997</u>
Revenues:					
City Court	\$ 70,446	-	-	70,446	61,580
Garnishments	-	416,072	-	416,072	404,897
Sales and seizures	-	-	18,342	18,342	16,646
Interest	2,023	-	-	2,023	1,679
Commissions and fees	-	-	13,878	13,878	9,544
Total revenues	<u>72,469</u>	<u>416,072</u>	<u>32,220</u>	<u>520,761</u>	<u>494,346</u>
Expenditures:					
Public safety:					
Car allowance	8,362	-	-	8,362	5,995
Training	8,945	-	-	8,945	10,465
Travel, lodging, and meals	6,109	-	-	6,109	5,251
Other operating	21,368	-	9,946	31,314	43,957
Payments to the Marshal	-	21,652	11,760	33,412	38,581
Garnishments	-	394,420	-	394,420	384,005
Sales and seizures	-	-	18	18	2,072
	<u>44,784</u>	<u>416,072</u>	<u>21,724</u>	<u>482,580</u>	<u>490,326</u>
Capital outlay	<u>60,783</u>	-	<u>10,056</u>	<u>70,839</u>	<u>5,779</u>
Total expenditures	<u>105,567</u>	<u>416,072</u>	<u>31,780</u>	<u>553,419</u>	<u>496,105</u>
Excess (deficiency) of revenues over expenditures	(33,098)	-	440	(32,658)	(1,759)
Fund balance, beginning of year	<u>111,449</u>	-	<u>10,835</u>	<u>122,284</u>	<u>124,043</u>
Fund balance, end of year	<u>\$ 78,351</u>	<u>-</u>	<u>11,275</u>	<u>89,626</u>	<u>122,284</u>

See accompanying notes to financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Statement of Changes in Asset
and Liability - Agency Fund
Traffic Fund

For the year ended December 31, 1998

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Asset - cash	\$ -	455,248	455,248	-
Liability - due to City Court	\$ -	455,248	455,248	-

See accompanying notes to financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 1998

(1) Summary of Significant Accounting Policies

The Bossier City Marshal (the "Marshal") is a separate department within the City of Bossier City's (the "City") organizational structure. The Marshal's office is funded by the City. Property and equipment purchased by the City are recorded in the City's general fixed asset account group. The Marshal's departmental expenses such as payroll and related costs, maintenance, utilities, etc., are paid for by the City. These financial statements account for all activities of the Marshal's office not funded by the City.

The Marshal is the executor of the City Court and, therefore, is responsible for executing the orders and mandates of the City Court.

(A) Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The Marshal's financial statements are included in the City's reporting entity as a discretely presented component unit because of the significance of their financial relationship with the City.

The Marshal is an elected official who is fiscally dependent on the City. The City has the ability to modify or approve the budget which is funded by the City's General Fund except for certain funds collected as court costs, pursuant to state statute, which are under the control of the Marshal. The Marshal serves the citizenry of the City.

(B) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenues are primarily recorded when received in cash because they are generally not measurable until actually received. Expenditures are recognized when the related fund liability is incurred. The accompanying financial statements have been prepared on the modified accrual basis of accounting.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 1998

(C) Basis of Presentation — Fund Accounting

The accounts of the Marshal are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The following funds are used by the Marshal:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. All governmental funds are accounted for on a spending measurement focus where the focus is upon determination of changes in financial position rather than upon net income determination. Each of the following funds are considered special revenue funds for financial reporting purposes given that specific revenue sources of each are restricted to use for a specified purpose. The fund captioned General Fund is not a general fund as defined for governmental financial reporting purposes.

Contingency Fund

The Contingency Fund is used to account for monthly receipts from the City Court for the Marshal's share of additional court costs assessed by the court. Both the Marshal and City Court receive ten dollars per criminal case as authorized by Louisiana State Statute R.S. 13:1899C. The Marshal uses this fund to pay for the operational expenses of the office. This fund also accounts for the collections of traffic and court imposed fines which are remitted to the City Court and from which the Marshal receives a commission.

Garnishment Fund

The Garnishment Fund is used to account for the collection and disbursement of garnishments of wages in accordance with the orders and writs of the City Court. The Marshal receives a commission of six percent for the execution of orders and writs of the City Court as authorized by Louisiana State Statute R.S. 33:1704.

General Fund

The General Fund is used to account for the collection and disbursement of the sale and seizure of property in accordance with the orders and writs of the City Court. The Marshal receives a commission of six percent for the execution of the seizure and sale and fees for related services as established by Louisiana State Statute R.S. 33:1704.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 1998

ACCOUNT GROUP

An account group is used to establish accounting control and accountability for the Marshal's general fixed assets.

General Fixed Assets Account Group

This account group was established to account for all fixed assets purchased with monies from the Marshal's funds as described above.

(D) *Fixed Assets*

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. This reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

(E) *Income Taxes*

As part of a governmental unit, the funds of the Marshal are not subject to federal or state income taxes.

(F) *Budgets*

The Marshal does not formally adopt budgets for the Contingency, Garnishment, General, and Traffic Funds and, therefore, budget to actual comparisons have not been presented with these financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 1998

(G) *Total Columns on Combined Statements*

Total columns on the combined statements are captioned "Totals-Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

(H) *Comparative Total Data*

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Marshal's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1997 have been reclassified in the accompanying financial statements in order to conform with the 1998 presentation.

(I) *Interfund Transactions*

Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or reductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations.

(2) *Cash*

All deposits of the Marshal's office are held by area financial institutions. At December 31, 1998, the carrying amount of the Marshal's deposits was \$120,511 and the bank balance was \$123,201. This difference is due to outstanding checks at December 31. All deposits are insured by the Federal Deposit Insurance Corporation. During 1998, the Marshal purchased a certificate of deposit with cash from the Contingency Fund. This certificate of deposit comprises \$53,629 of cash deposits.

(3) *Fixed Assets*

The changes in general fixed assets for the year ended December 31, 1998, consist exclusively of additions of furniture, equipment and vehicles in the amount of \$70,839.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Required Supplementary Information

Disclosure about Year 2000 Issues

For the year ended December 31, 1998
(unaudited)

The Marshal is currently addressing year 2000 issues relating to its computer systems and other electronic equipment. The Year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00".

Computer programs have to be adjusted to recognize the difference between those two years or the programs will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the Year 2000 issue could affect electronic equipment - such as environmental systems and vehicles - containing computer chips that have date recognition features.

The Marshal has informally completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Marshal operations. The Marshal has identified the system used to maintain information regarding traffic fines and bench warrants as a mission critical system. In addition, the radio system and the program utilized to maintain garnishment information are identified as mission critical systems

The Marshal has completed the awareness and assessment stage of work with respect to its mission critical systems whereby a plan has been established for dealing with these issues and systems have been identified which are in need of year 2000 compliance work. The Marshal is currently within the remediation stage, during which changes are being made to systems and equipment. The costs associated with these changes are being funded on a pay as you go basis. The validation and testing phase of the work is targeted to be completed by July 31, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Marshal is or will be Year 2000 ready, that the Marshal's remediation efforts will be successful in whole or in part, or that parties with whom the Marshal does business will be year 2000 ready.



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

**Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the financial statements of the Bossier City Marshal (the "Marshal"), as of and for the year ended December 31, 1998, and have issued our report thereon dated March 26, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Marshal's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Marshal's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Marshal in a separate letter dated March 26, 1999.

This report is intended solely for the information and use of the Marshal, management, and the legislative auditor and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 26, 1999



KPMG LLP, KPMG LLC, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

March 26, 1999

CONFIDENTIAL

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the financial statements of the Bossier City Marshal (the "Marshal") for the year ended December 31, 1998, and have issued our report thereon dated March 26, 1999. In planning and performing our audit of the financial statements of the Marshal's office, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

BANK RECONCILIATION

During our audit, we noted that bank account reconciliations were not prepared. Instead, the bank balance is rolled forward each month using checks and deposits that cleared the bank. Reconciling the book balance to the bank balance each month would aid in detecting errors in the cash accounts. Any reconciling differences that do not clear in the subsequent month should be investigated.

DOCUMENTATION

During our audit, we noted certain disbursements without adequate supporting documentation. Proper documentation should be maintained for all disbursements. There should also be documentation on the vendor invoice as to which expense account the particular item is being charged. We also recommend that documentation be kept for any reimbursements of personal items that are paid with the Marshal's credit cards.

* * * * *



Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
March 26, 1999
Page 2

Our procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the Marshal's office gained during our work to make comments and suggestions that we hope will be useful to you.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the Marshal's office during the course of our audit.

This report is intended solely for the information and use of the Marshal, management and the legislative auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

March 26, 1999

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the financial statements of the Bossier City Marshal (the "Marshal"), a component unit of the City of Bossier City, Louisiana, for the period ended December 31, 1998, and have issued our report thereon dated March 26, 1999. Under generally accepted auditing standards, we are providing you with the attached information related to the conduct of our audit.

Our Responsibility Under Generally Accepted Auditing Standards

We have a responsibility to conduct our audit in accordance with generally accepted auditing standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Furthermore, our audit was not designed to, and does not, provide any assurance that a Year 2000 issue which may exist will be identified, on the adequacy of the Marshal's remediation plans related to Year 2000 financial or operational issues, or on whether the Marshal is or will become Year 2000 compliant on a timely basis. Year 2000 compliance is the responsibility of management.

Significant Accounting Policies

The significant accounting policies used by the Marshal are described in Note 1 to the financial statements.

No new accounting standards or new accounting policies were adopted and the application of existing policies was not changed during 1998.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.



Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
March 26, 1999
Page 2

Significant Audit Adjustments

We proposed no corrections of the financial statements that could, in our judgement, either individually or in the aggregate, have a significant effect on the financial reporting process of the Marshal.

Disagreements with Management

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Marshal's financial statements.

Consultation with Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that were subject to the requirements of AU 625, *Reports on the Application of Accounting Principles*.

Major Issues Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Marshal's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

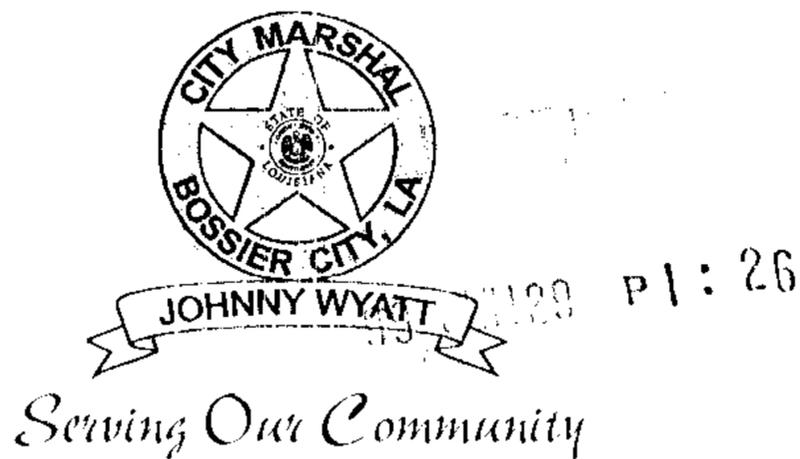
Difficulties Encountered in Performing the Audit

We encountered no serious difficulties in dealing with management in performing our audit.

This information is intended solely for the information and use of the Marshal, management and the legislative auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



June 28, 1999

Dr. Dan Kyle
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Following is our response to the correspondence received from KPMG LLP dated March 26, 1999:

Bank Reconciliations

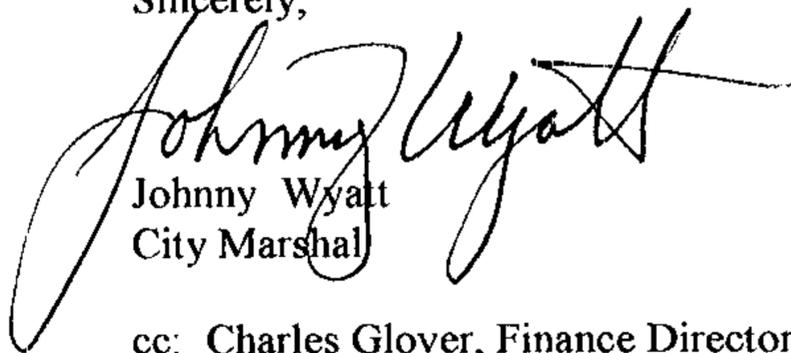
We have implemented a monthly procedure to reconcile the bank account.

Documentation

We have implemented a procedure whereby each disbursement, and in particular those made with the Marshal's credit card, will be supported by documentation that details the authorization for the purchase and the expense account to be charged.

If you or any of your staff require further explanation, please do not hesitate to call.

Sincerely,


Johnny Wyatt
City Marshal

cc: Charles Glover, Finance Director