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

Financial Statement

December 31, 1997

(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—~~201~~ ~~06~~ ~~958~~—

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, 1997. 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, 1997, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also tested our report dated February 23, 1998, 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 Peat Marwick LLP

February 23, 1998



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

Comparing Balance Sheet

December 31, 1997

with comparative data for December 31, 1996

Assets	Commutational Fund Types - Special Revenue		Agency Fund Traffic Fund	General Fund Account Grant	Totals
	Commuter Fund	Special Fund			
Cash	\$ 206,949	\$ 1,119	\$ -	\$ -	\$ 208,068
Prepays and equipment	-	-	-	65,261	65,261
Due from City Court	4,481	-	-	-	4,481
Total assets	\$ 211,430	\$ 1,119	\$ -	\$ 65,261	\$ 277,810
Liabilities, Fund Balances, and Other Credits	\$ -	\$ 1,119	\$ -	\$ -	\$ 1,119
Liabilities - accounts payable	-	-	-	-	-
Fund balances and other credits transferred to general fund assets	-	-	-	65,261	65,261
Fund balances - transferred - subordinate	11,430	-	-	-	11,430
Total fund balances and other credits	\$ 11,430	\$ 1,119	\$ -	\$ 65,261	\$ 78,810
Fund liabilities, fund balances, and other credits	\$ 11,430	\$ 1,119	\$ -	\$ 65,261	\$ 78,810

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, 1997
with comparative totals for the year ended December 31, 1996

	Contingency Fund	Guaranties Fund	General Fund	Totals	
				Administration, Civil 1997	1996
Revenues:					
City Court	\$ 41,180	—	—	41,180	55,800
Guaranties	—	404,897	—	404,897	355,550
Fees and salaries	—	—	15,045	15,045	14,145
Interest	1,937	—	72	1,937	—
Commissions and fees	—	—	9,344	9,344	8,795
Total revenues	<u>43,117</u>	<u>404,897</u>	<u>24,461</u>	<u>472,415</u>	<u>432,290</u>
Expenditures:					
Public safety:					
Car allowance	5,000	—	—	5,000	5,000
Training	10,455	—	—	10,455	5,481
Travel, lodging, and meals	5,251	—	—	5,251	5,594
Other operating	11,054	—	31,909	42,937	17,483
Payments to the Marshal	—	20,852	17,089	38,281	27,811
Guaranties	—	284,885	—	284,885	235,690
Fees and salaries	—	—	3,873	3,873	3,343
	<u>31,760</u>	<u>305,737</u>	<u>35,661</u>	<u>443,158</u>	<u>395,321</u>
Capital outlay	3,770	—	—	3,770	20,781
Total expenditures	<u>35,530</u>	<u>305,737</u>	<u>35,661</u>	<u>477,928</u>	<u>416,102</u>
Excess (deficiency) of revenues over expenditures	7,587	—	(11,200)	(3,613)	21,188
Fund balance, beginning of year	105,805	—	21,227	127,032	105,824
Fund balance, end of year	\$ 113,392	—	10,027	123,419	127,012

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, 1997

	Balance January 1, 1997	Additions	Deductions	Balance December 31, 1997
Asset - cash	\$ <u>---</u>	<u>403,796</u>	<u>403,796</u>	<u>---</u>
Liability - due to City Court	\$ <u>---</u>	<u>403,796</u>	<u>403,796</u>	<u>---</u>

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, 1997

(I) 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.

(Continued)

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

Notes to Financial Statements

(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. All revenues are 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.

(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 such 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 collection of traffic and court imposed fines which are remitted to the City Court and which the Marshal receives a commission.

(Continued)

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

Notes to Financial Statements

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. 33:1734.

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. 33:1734.

ACCOUNT GROUP

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

(Continued)

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

Notes to Financial Statements

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, and 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.

(6) Income Taxes

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

(7) Budgets

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

(8) 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.

(9) 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 1996 have been reclassified in the accompanying financial statements in order to conform with the 1997 presentation.

(Continued)

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

Notes to Financial Statements

(4) 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 expenditures or expenses 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.

(5) Cash

All deposits of the Marshal's office are held by area financial institutions. At December 31, 1993, the carrying amount of the Marshal's deposits was \$152,897 and the bank balance was \$157,423. This difference is due to outstanding checks at December 31. All deposits are insured by the Federal Deposit Insurance Corporation. During 1993, the Marshal purchased a certificate of deposit with cash from the Contingency Fund. This certificate of deposit comprises \$51,489 of cash deposits.

(6) Fixed Assets

The changes in general fixed assets for the year ended December 31, 1993, consist exclusively of additions of furniture, equipment and vehicles in the amount of \$3,619.

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

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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, 1997, and have issued our report thereon dated February 27, 1998. 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 misstatement, 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 February 27, 1998.



This report is intended for the information of the management and the State of Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

February 27, 1995

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
February 17, 1998
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Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the December 31, 1997, financial statements of the Marshal.

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 which were subject to the requirements of Statement on Auditing Standards No. 50, *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 auditors of the Marshal. 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 significant difficulties in dealing with management in performing our audit.

* * * * *

This information is intended solely for your information and use as well as management and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

KPM's Paul Marwick LLP



Peat Marwick LLP

8000 Lakeside Gateway Tower
200 North Street
Shreveport, LA 71201-0000

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February 23, 1998

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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, 1997, and have issued our report thereon dated February 23, 1998. In planning and performing our audit of the financial statements of the Marshal, 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. 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, all of 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 a reconciliation of the Contingency Fund cash account is not made. Instead, the bank balance is rolled forward each month. As a result of this, several transactions were unrecorded. All cash accounts should be reconciled from the book balance to the bank balance each month. Reconciling differences that do not clear in the subsequent month should be investigated.

* * * * *

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 gained during our work to make comments and suggestions that we hope will be useful to you.



Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
February 27, 1968
Page 2

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

This report is intended solely for your information, management, and the State of Louisiana Legislative Auditors. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

KPMG Peat Marwick LLP



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May 29, 1998

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

Dear Dr. Kyle,

In reference to Peat Marwick's (KPMG) correspondence of February 27, 1998, let me address their recommendation:

1. All cash accounts should be reconciled from the book balance to the bank balance each month.

We have implemented the request for reconciliation of the contingency fund which will clear any transactions that were recorded incorrectly.

If you or any of your staff have further suggestions, I welcome your input at any time.

Sincerely,



Johnny G. Wright
City Auditor

cc: Charles Glover, Finance Director