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JIMMY DOVE, CITY MARSHAL
CITY OF SHREVEPORT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 25, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 JUL 19 2000

JIMMY DOVE, CITY MARSHAL

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Richard C. McCallister
CERTIFIED PUBLIC ACCOUNTANT

Member of
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Jimmy Dove, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

I have audited the accompanying financial statements of Jimmy Dove, Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, as of December 25, 1999, and for the year then ended. These financial statements are the responsibility of the City Marshal management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted governmental auditing standards, the financial and compliance segments of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note 1, the financial statements present on the Funds and Account Group of the City Marshal and are not intended to present fairly the financial position of the City of Shreveport, Louisiana, and the results of its operations and cash flows of its operations and cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Marshal as of December 25, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

A handwritten signature in cursive script that reads "Richard C. McCallister".

Richard C McCallister
June 28, 2000

JIMMY DOVE, CITY MARSHAL
COMBINED BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 25, 1999

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Group</u>
<u>ASSETS</u>			
Cash	1,432,541	175,391	
General fixed assets			406,448
Total assets	1,432,541	175,391	406,448
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Due to defendants - Surety		175,391	175,391
Total liabilities		175,391	175,391
Fund Equity			
Investment in general fixed assets			406,448
Fund balance			
Undesignated	1,432,541		
Total fund equity	1,432,541		406,448
Total liabilities and fund balance	1,432,541		406,448

The accompanying notes are an integral part of these financial statements.

JIMMY DOVE, CITY MARSHAL
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 25, 1999

Revenues	
Marshal special court cost from fines and bond forfeitures	250,873
Interest	<u>58,465</u>
Total revenues	<u>309,338</u>
Expenditures	
Communications	12,790
Dues	1,970
Legal and professional	36,788
Miscellaneous personnel cost	1,723
Office expense	18,423
Repairs and maintenance	4,801
Training	506
Uniforms	16,131
Capital outlay	<u>133,528</u>
Total expenditures	<u>226,660</u>
Excess of revenues over expenditures	82,678
Fund balance - beginning	<u>1,349,863</u>
Fund balance - ending	<u>1,432,541</u>

The accompanying notes are an integral part of these financial statements.

JIMMY DOVE, CITY MARSHAL
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 25, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Marshal special court cost from fines and bond forfeitures	280,000	250,873	(29,127)
Interest	<u>54,000</u>	<u>58,465</u>	<u>4,465</u>
Total revenues	<u>334,000</u>	<u>309,338</u>	<u>(24,662)</u>
Expenditures			
Communications	14,000	12,790	1,210
Dues	2,000	1,970	30
Insurance	300		300
Legal and professional	46,000	36,788	9,212
Miscellaneous personnel cost	2,000	1,723	277
Office expense	25,000	18,423	6,577
Repairs and maintenance	5,500	4,801	699
Training	1,000	506	494
Uniforms	16,500	16,131	369
Capital outlay	<u>150,000</u>	<u>133,528</u>	<u>16,472</u>
Total expenditures	<u>262,300</u>	<u>226,660</u>	<u>35,640</u>
Excess of revenues over expenditures	71,700	82,678	10,978
Fund balance - beginning	<u>1,349,863</u>	<u>1,349,863</u>	
Fund balance - ending	<u>1,421,563</u>	<u>1,432,541</u>	<u>10,978</u>

The accompanying notes are an integral part of these financial statements.

JIMMY DOVE, CITY MARSHAL
STATEMENT OF GENERAL FIXED ASSETS
ALL GOVERNMENTAL FUND TYPES
DECEMBER 25, 1999

General fixed assets	
Equipment	<u>406,448</u>
Total general fixed assets	<u>406,448</u>
Investment in general fixed assets	
General fund	<u>406,448</u>

The accompanying notes are an integral part of these financial statements.

JIMMY DOVE, CITY MARSHAL
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 25, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the City Marshal's office conform to generally accepted accounting principles (GAAP) as applicable to governments. Encumbrance accounting is not used by the City Marshal. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for the establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:514 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the AICPA Industry Audit Guide, *Audits of State and Local Governmental Units*.

Financial Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the City Marshal's office includes all funds, account groups, et cetera, that are within the oversight responsibility of the City Marshal's office. The City Marshal's office is a component unit of the City of Shreveport, Louisiana. The City Marshal is the executive officer of the court and, in execution of his duties, he shall have the power of a Sheriff. This report includes all funds and account groups which are controlled by or dependent on the City Marshal's office. Control by or dependence on the City Marshal's Office was determined on the basis of authority of general oversight responsibility. The scope of this audit includes only these funds and does not include operational costs paid directly by the City of Shreveport on behalf of the City Marshal.

Fund Accounting

The City Marshal's Office uses funds and account groups 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the City Marshal's office are grouped, in financial statements of this report, into two generic fund types and two broad fund categories as follows:

Governmental Funds

Governmental funds account for all or most of the City Marshal office's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations.

Special Marshal's Fund

The Special Marshal's Fund is the Fund provided to City Marshal's under Louisiana Statutes Annotated - Revised Statue 13:1899 the name of and under the control of the Marshal to be used to defray the operational expenses of the Marshal's Office. The fund is to be used to account for all financial resources provided it, as established by the above authority.

Fiduciary Funds

Fiduciary Funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City Marshal's office. Fiduciary funds include:

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the Marshal's office in a trustee capacity or as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Asset Account Group

The accounting and reporting treatment applied to the fixed assets and associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed Assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Marshal's office has elected to capitalize fixed assets consisting of equipment and building improvements. No depreciation has been provided on general fixed assets. The City Marshal does not capitalize interest costs on fixed assets.

Activity for general fixed assets, which are capitalized by the Marshal's office, is summarized below:

	<u>Balances Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances Ending</u>
Equipment	301,714	133,528	28,794	406,448
Building and improvements	<u>55,422</u>	<u> </u>	<u>55,422</u>	<u> </u>
Totals	<u>357,136</u>	<u>13,358</u>	<u>84,216</u>	<u>406,448</u>

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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. All governmental funds are accounted for using the accrual basis of accounting.

Their revenues are recognized when they become measurable and available as net current assets. Gross receipts are considered "measurable" when the hands of collecting governments are recognized as revenue at that time.

Anticipated refunds of such receipts are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred.

Budgets and Budgetary Accounting

The City Marshal follows these procedures in establishing the budgetary data reflected in the financial statements:

Budgetary data for the general fund was prepared based on prior year actual operating revenues and expenditures. The general fund is maintained on the modified accrual basis and therefore no reconciliation between legally enacted basis and GAAP basis is required.

The Marshal's office performs only a custodial function in the case of agency funds and therefore a budget for these funds is not appropriate.

In the event that the City Marshal was to have encumbrances or commitments relating to executory contracts for goods or services, they would be accounted for and reported consistently.

Cash

The Marshal's office classifies demand and time deposits as cash. The collected bank balances of the deposits under control of the Marshal's office with financial institutions was \$2,173,823 and is collateralized as follows:

Amount insured by the FDIC	300,000
Amount collateralized with securities, held by pledging financial institution's trust department in Marshal's office name (<i>Category 2, GASB Statement No. 3</i>)	<u>1,873,823</u>
Total collected bank balance	<u>2,173,823</u>

Budget Practice

The budget was authorized by the Marshal and made available for public inspection at the Marshal's office on December 10, 1999. The budget was prepared in accordance with generally accepted accounting principles as applicable to governments. The budget is legally adopted and amended, as necessary, by the Marshal.

Formal budget integration is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget.

2. **COMPENSATED ABSENCES**

The City Marshal's office payroll is funded directly by the City of Shreveport. All policies and accruals relating to vacation and sick leave are within their control.

3. **CONTINGENCIES**

During 1999, the City Marshal's office experienced an occurrence of apparent theft of fines and fiduciary funds. The Marshal believes that any losses may be covered by the City of Shreveport fidelity bond coverage. The effect on the occurrence has yet to be determined and no provision has been recorded in the financial statements.

Richard C. McCallister

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Jimmy Dove, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

I have audited the financial statements of Jimmy Dove, Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, Louisiana, as of and for the year ended December 25, 1999 and have issued my report thereon dated June 28, 2000. I have conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether Jimmy Dove, Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Jimmy Dove, Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not

to provide assurance on the internal control over financial reporting. My 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 general purpose 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.* I noted no matters involving the internal control structure over financial reporting and its operation that I consider to be a material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Richard C McCallister
Shreveport, Louisiana
June 28, 2000

JIMMY DOVE, CITY MARSHAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 25, 1999

FINDINGS – FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

1. Segregation of duties

Condition: There is little segregation of duties with respect to control over certain accounting functions.

Criteria: When practical, personnel should have appropriate segregation of control over assets and the accounting of those assets.

Effect: Accounting controls over general and agency funds are compromised and an apparent theft has occurred.

Recommendation: The Marshal should consider whether it is practical to increase the office's administrative staff to reduce the number of incompatible positions. Policies and procedures should be developed to segregate incompatible positions.

JIMMY DOVE, CITY MARSHAL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 25, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
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Section I – Internal control and compliance material to the financial statements.

1	Unknown	There is little segregation of duties with respect to control over certain accounting functions.	No	Not practical from cost standpoint.
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Section II – Management letter

None

JIMMY DOVE, CITY MARSHAL
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 25, 1999

Ref No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
1.	There is little segregation of duties with respect to control over certain accounting functions.	We are implementing changes in policy and procedures to segregate as much as practical incompatible positions.	Mary Holbrook	June 30, 2000