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Madison Box, City Marshal
City of Shreveport, Louisiana
Financial Statements
December 25, 1995

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Release Date ~~SEP 04 1996~~

MAYO & CULBERTSON
A Corporation of Certified Public Accountants

Madison Box, City Marshal
City of Shreveport, Louisiana
December 25, 1993

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MAYO & CULBERTSON

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS
318-222-8682

820 JORDAN STREET, SUITE 480
SHREVEPORT, LOUISIANA 71101

BRADLEY A. MAYO, CPA
T. WADE CULBERTSON, JR., CPA

NANCY WORMINGTON ADGER, CPA

INDEPENDENT AUDITOR'S REPORT

Madison Box, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

We have audited the accompanying general purpose financial statements of Madison Box, City Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, as of December 25, 1995, and for the year then ended. These general purpose financial statements are the responsibility of the City Marshal 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 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 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.

As discussed in the notes, the financial statements present only 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 proprietary and similar trust fund types in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Marshal as of December 25, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.



Mayo & Culbertson
May 24, 1996

Madison Box, City Marshal
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 25, 1995

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Group</u>	<u>Totals</u>
	<u>General Fund</u>	<u>Agency Funds</u>	<u>General Fixed Assets</u>	<u>Memorandum Only</u>
ASSETS				
Cash	1,477,532	96,041		1,573,573
Other current assets	1,036			1,036
General Fixed Assets			271,796	271,796
Total Assets	<u>1,478,568</u>	<u>96,041</u>	<u>271,796</u>	<u>1,846,405</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Due to Defendants; Surety		96,041		96,041
Accounts Payable	379			379
Total Liabilities	<u>379</u>	<u>96,041</u>	<u>0</u>	<u>96,420</u>
Fund Equity:				
Investment in General Fixed Assets			271,796	271,796
Fund Balance:				
Undesignated	300,000			300,000
Designated	1,178,189			1,178,189
Total Fund Equity	<u>1,478,189</u>	<u>0</u>	<u>271,796</u>	<u>1,749,985</u>
Total Liabilities and Fund Balance	<u>1,478,568</u>	<u>96,041</u>	<u>271,796</u>	<u>1,846,405</u>

Madison Box, 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, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Marshal Special Court Cost from Fines and Bond Forfeitures	300,000	297,235	(2,765)
Interest	60,000	63,329	3,329
Total Revenues	<u>360,000</u>	<u>360,564</u>	<u>564</u>
Expenditures:			
General Government	600	533	67
Capital Outlay	50,000	48,277	1,723
Supplies	5,800	7,243	(1,443)
Training	1,500	936	564
Audit	4,800	4,800	0
Miscellaneous Personnel Costs	5,000	3,307	1,693
Uniforms	5,250	3,347	1,903
Repairs and Maintenance	5,000	4,621	379
Total Expenditures	<u>77,950</u>	<u>73,064</u>	<u>4,886</u>
Excess of Revenues over Expenditures	282,050	287,500	5,450
Fund Balance, Beginning	1,190,689	1,190,689	0
Fund Balance, Ending	<u><u>1,472,739</u></u>	<u><u>1,478,189</u></u>	<u><u>5,450</u></u>

Madison Box, City Marshal
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balance
 All Governmental Fund Types
 For the year ended December 25, 1995

Revenues:	
Marshal Special Court Cost	297,235
from Fines and Bond Forfeitures	
Interest	63,329
Total Revenues	<u>360,564</u>
Expenditures:	
General Government	533
Capital Outlay	48,277
Supplies	7,243
Training	936
Audit	4,800
Miscellaneous Personnel Costs	3,307
Uniforms	3,347
Repairs and Maintenance	4,621
Total Expenditures	<u>73,064</u>
Excess of Revenues over Expenditures	287,500
Fund Balance, Beginning	1,190,689
Fund Balance, Ending	<u><u>1,478,189</u></u>

Madison Box, City Marshal
Statement of General Fixed Assets
December 25, 1995

General Fixed Assets	
Equipment	263,945
Improvements to Building	<u>7,851</u>
Total General Fixed Assets	<u>271,796</u>
Investment in General Fixed Assets	
General Fund	<u>271,796</u>

Summary of Significant Accounting Policies

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 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.

The following is a summary of certain significant accounting policies.

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 the 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.

Governmental funds operated by the City Marshal's office include:

Special Marshal's Fund: The Special Marshal's Fund is the fund provided to City Marshals under Louisiana Statutes Annotated - Revised Statute 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</u> <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>Ending</u>
Equipment	\$ 215,668	48,277	-0-	263,945
Improvements to Building	<u>7,851</u>	<u>-0-</u>	<u>-0-</u>	<u>7,851</u>
Totals	<u>223,519</u>	<u>48,277</u>	<u>- 0-</u>	<u>271,796</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.

Basis of Accounting (continued):

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

- A. 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.
- B. 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 were 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 carrying amount of the deposits under control of the Marshal's office with financial institutions was \$1,975,338 and the bank balance was \$1,573,573. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 465,041
Amount collateralized with securities held by pledging financial institutions' trust department in Marshal's office name (Category 2, GASB Statement No. 3).	<u>1,108,532</u>
Total Bank Balance	<u>1,573,573</u>

Designated Fund Balance:

The Marshal has designated funds for anticipated future renovation cost relating to the premises occupied or to be occupied by the Marshal's office.

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318-222-8682

820 JORDAN STREET, SUITE 480
SHREVEPORT, LOUISIANA 71101

NANCY WORMINGTON ADGER, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Madison Box, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

We have audited the financial statements of Madison Box, City Marshal of the City of Shreveport, Louisiana ("City Marshal"), for the year ended December 25, 1995, and have issued our report thereon dated May 24, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

The management of the City Marshal is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City Marshal for the year ended December 25, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

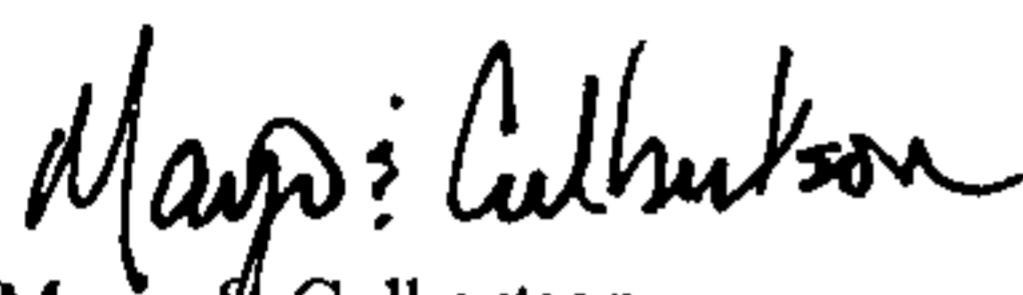
We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under the standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

There is little segregation of duties with respect to control over certain accounting functions. This condition is caused by a limited operating budget and administrative staff. A small administrative staff size results in incompatible duties being performed by the same person.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and the City Council of the City of Shreveport. However, this report is a matter of public record, and its distribution is not limited.



Mayo & Culbertson
May 24, 1996

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BRADLEY A. MAYO, CPA
T. WADE CULBERTSON, JR., CPA

NANCY WORMINGTON ADGER, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Madison Box, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

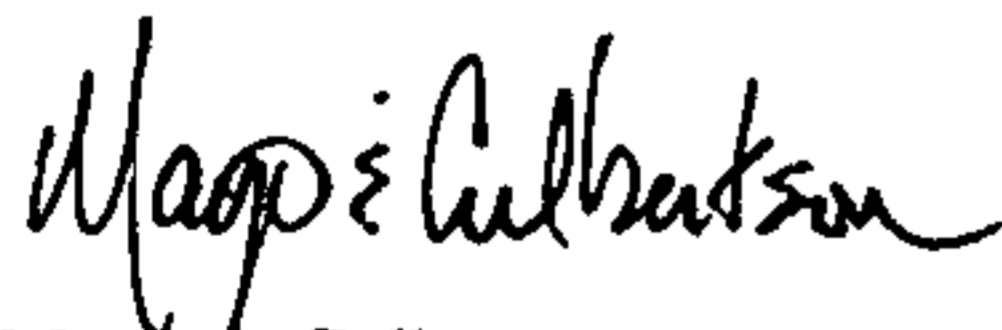
We have audited the general purpose financial statements of Madison Box, City Marshal of the City of Shreveport Louisiana ("City Marshal"), for the year ended December 25, 1995, and have issued our report thereon dated May 24, 1996

We conducted our audit in accordance with generally accepted auditing standards and *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.

Compliance with laws, regulations, contracts, and grants applicable to the City Marshal, is the responsibility of the City Marshal management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City Marshal's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management and the City Council of the City of Shreveport. However, this report is a matter of public record and its distribution is not limited.



Mayo & Culbertson
May 24, 1996