

MAYO & CULBERTSON

ACCOUNTING AND CONSULTING FIRM OF THE DISTRICT OF COLUMBIA

Memorandum

GENERAL PURPOSE FINANCIAL STATEMENTS OF THE DISTRICT OF COLUMBIA
SECRET FOR LEGISLATIVE COMMITTEES AND APPROPRIATE
AND OTHERS

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BRADLEY A. MARPLES
V. Mayor, District of Columbia

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

Madison Fox, City Marshal
City of Silver Spring City-Council
Silver Spring, Maryland

We have audited the general purpose financial statements of Madison Fox, City Marshal of the City of Silver Spring, Maryland ("City Marshal"), for the year ended December 31, 1986, and have issued our report thereon dated June 18, 1987.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting Standards, issued by the Comptroller General of the United States. These 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 Accounting Standards.

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



Myra P. Culbertson
June 18, 1987

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 accountants 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 R. Callahan
June 30, 1997

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**INDEPENDENT AUDITORS' 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 31, 1996, and have issued our report thereon dated June 28, 1997.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller for 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 financial items are recorded 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, projections 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 31, 1996, 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 judgment, 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.

Basis of Accounting Treatment:

These revenues are recognized when they become measurable and available in net current assets. Grants receivable 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 reduce items of revenue when they are certain and their validity is reasonable. Expenditures are generally recognized under the accrual basis of accounting unless the related fiscal 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 a 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 sees to have encumbrances or commitments relating to executive contracts for goods or services, they would be accounted for and reported consistently.

Bank:

The Marshal's Office classifies demand and time deposits as cash. The carrying amount of the deposits made consisted of the Marshal's office with financial institutions was \$1,850,589 and the bank balance was \$1,285,112. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 476,181
Amount collateralized with securities held by pledging financial institution's trust department to Marshal's office	808,931
Total Bank Balance	<u>1,285,112</u>

Designated Fund Balance:

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

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 Wisconsin Statutes, Annotated - Revised Statute 13.1889. The name of and under the control of the Marshal is 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 established in various projects (such as) liabilities) and do not involve management of results of operations.

Fund 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 as 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 Fund assets) are accounted for in the City of Madison Fixed Assets Account Group, and are recorded as capital assets 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 fund 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:

	Balance Beginning	Additions	Deletions	Balance Ending
Equipment	\$ 363,945	193,311	-0-	557,256
Improvements to Building	7,851	28,684	-0-	36,535
Totals	\$ 371,796	\$ 222,005	\$ -0-	\$ 593,801

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 measurement (cash, accruals) of the measurement focus applied. All governmental funds are accounted for using the accrual basis of accounting.

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. Fund-based 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, or centers, 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 center and, in execution of his duties 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 those 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 governmental 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 purchase and distribution of specific or legally restricted assets, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations.

Madison Box, City of
Statement of General Fixed Assets
December 31, 1996

General Fixed Assets	
Equipment	174,088
Improvements to Building	<u>74,459</u>
Total General Fixed Assets	<u>488,641</u>
Investments in General Fixed Assets	
General Fund	<u>408,641</u>

Madison Box, City Marshal
 Condensed Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Budget and Actual
 All Governmental Fund Types
 For the year ended December 31, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Mental Special Court Cost	360,000	287,378	(72,622)
From Fines and Court Penalties			
Interest	54,000	62,607	(8,607)
Total Revenues	<u>414,000</u>	<u>350,985</u>	<u>(63,015)</u>
Expenditures:			
General Government	15,000	10,977	4,023
Capital Outlay	140,000	136,845	3,155
Supplies	10,000	9,606	394
Training	400	799	399
Auto	4,000	4,320	320
Miss/Banquet Personnel Costs	3,500	2,983	517
Uniforms	4,500	3,336	1,164
Repairs and Maintenance	5,000	4,349	651
Total Expenditures	<u>185,400</u>	<u>178,296</u>	<u>7,104</u>
Excess of Revenues over Expenditures	228,590	172,689	(55,901)
Other financing uses:			
Transfers to primary government	200,000	200,000	0
Total other financing uses	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Excess of expenditures and other financing uses over revenues	(71,410)	(127,311)	(55,901)
Fund Balance, Beginning	1,278,000	1,476,188	198,188
Fund Balance, Ending	<u>1,206,590</u>	<u>1,348,877</u>	<u>(157,713)</u>

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

Madison Inc., City Mental
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Governmental Fund Types
For the year ended November 25, 1996

Revenues:	
Mental Special Cost Cost	261,128
From Taxes and Donor Contributions	
Interest	63,657
Total Revenues	<u>324,785</u>
Expenditures:	
Capital Government	18,022
Capital Outlay	138,845
Supplies	8,688
Training	158
Audit	4,524
Miscellaneous Personal Costs	2,803
Utilities	3,856
Repairs and Maintenance	4,309
Total Expenditures	<u>173,185</u>
Excess of Revenues over Expenditures	151,600
Other financing uses:	
Transfers to primary government	380,800
Total other financing uses	<u>380,800</u>
Excess of expenditures and other financing uses over revenues	(229,200)
Fund Balance, Beginning	<u>1,478,189</u>
Fund Balance, Ending	<u>1,248,989</u>

Madison Box, City Market
 Combined Balance Sheet
 All Fund Types and Account Groups
 December 31, 1994

	Governmental	Fiduciary	Account	Total
	Fund Type	Fund Types	Group	
	General	Agency	General	Majoritarian
	Fund	Funds	Fund Assets	Only
ASSETS				
Cash	1,133,000	159,300		1,292,300
Other current assets	1,247			1,247
General Fund Assets			682,641	682,641
Total Assets	<u>1,135,247</u>	<u>159,300</u>	<u>682,641</u>	<u>1,977,188</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Due to Defendants/County		159,300		159,300
Accounts Payable	776			776
Total Liabilities	<u>776</u>	<u>159,300</u>	<u>0</u>	<u>160,076</u>
Fund Equity:				
Investment in General			682,641	682,641
Fund Assets				
Fund Balance:				
Undesignated	308,808			308,808
Designated	826,438			826,438
Total Fund Equity	<u>1,135,246</u>	<u>0</u>	<u>682,641</u>	<u>1,817,885</u>
Total Liabilities and				
Fund Balance	<u>1,135,129</u>	<u>159,300</u>	<u>682,641</u>	<u>1,977,070</u>

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THOMAS A. MAYO, CPA
T. WALTER CALVERTSON, II, CPA

INDEPENDENT AUDITOR'S REPORT

Madison Rex, City Marshal
City of Shreveport City Center
Shreveport, Louisiana

We have audited the accompanying general purpose financial statements of Madison Rex, City Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, as of December 31, 1998, 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. These 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 statements 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 non-proprietary 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 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Mayo & Calvertson
June 30, 1999

Madison East, City of
City of Shreveport, Louisiana
December 31, 1996

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**Madison Box, City Marshal
City of New Orleans, Louisiana
Financial Statements
December 31, 1996**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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: Jan. 30, 1997

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A Corporation of Certified Public Accountants