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MONROE CITY MARSHAL

Financial Statements
For the Year Ended April 30, 1998

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Belmont Drive 444-1-1111

MONROE CITY MARSHAL
FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

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MONROE CITY MARSHAL

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

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INDEPENDENT AUDITORS' REPORT

Mr. Richard E. Reitzell
Monroe City Marshal
Monroe, Louisiana

We have audited the accompanying component unit financial statements of the **Monroe City Marshal** as of and for the year ended April 30, 1998, as listed in the Table of Contents. Those component unit financial statements are the responsibility of the Monroe City Marshal. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide issued by the Louisiana Legislative Auditor and the Society of Louisiana Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the **Monroe City Marshal** as of April 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 1998, on our consideration of the **Monroe City Marshal's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Mr. Richard E. Reitzel
Monroe City Marshal

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The financial information listed in the Table of Contents as Supplemental Statements are presented for purposes of additional analysis and are not a required part of the component unit financial statements of the **Monroe City Marshal**. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the component unit financial statements of the **Monroe City Marshal**.

Ruffing, Huffman + Monroe (APAC)

October 22, 1998

**COMPONENT UNIT FINANCIAL STATEMENTS -
OVERVIEW**

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
BALANCE SHEETS
ALL FUND TYPES AND ACCOUNT GROUPS
AS OF APRIL 30, 1998

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>
ASSETS AND OTHER DEBITS		
Cash	\$ 5,590	\$ 18,643
Accounts Receivable - Monroe City Court	33,469	-
Prepaid Insurance	363	-
Property and Equipment:		
Land and Buildings	-	-
Vehicles	-	-
Furniture and Equipment	-	-
Amount to be Provided for Retirement of General Long-Term Debt	<u>-</u>	<u>-</u>
TOTAL ASSETS AND OTHER DEBITS	\$ <u>39,422</u>	\$ <u>18,643</u>
LIABILITIES, FUND EQUITY, AND OTHER CREDITS		
Liabilities		
Accounts Payable	\$ 5,491	\$ -
Due To Others	-	18,643
Lease Purchase Payable	-	-
Notes Payable	-	-
Total Liabilities	<u>5,491</u>	<u>18,643</u>
Fund Equity and Other Credits		
Investment in General Fixed Asset	-	-
Fund Balance	<u>33,931</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>33,931</u>	<u>-</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ <u>39,422</u>	\$ <u>18,643</u>

The accompanying notes are an integral part of this statement.

Account Groups		Totals (Memorandum Only)	
General Fixed Assets	General Long-Term Debt	April 30, 1998	April 30, 1997
\$ -	\$ -	\$ 29,323	\$ 15,213
-	-	23,469	3,997
-	-	363	493
138,625	-	138,625	138,625
18,695	-	18,695	3,363
130,938	-	157,328	136,554
-	44,043	44,043	47,321
<u>\$ 287,858</u>	<u>\$ 44,043</u>	<u>\$ 384,966</u>	<u>\$ 330,924</u>
\$ -	\$ -	\$ 5,491	\$ -
-	-	19,640	13,151
-	-	-	2,138
-	44,043	44,043	45,182
-	44,043	68,887	60,472
287,858	-	287,858	279,990
-	-	18,021	10,531
<u>287,858</u>	<u>-</u>	<u>313,879</u>	<u>290,521</u>
<u>\$ 287,858</u>	<u>\$ 44,043</u>	<u>\$ 384,966</u>	<u>\$ 330,924</u>

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED APRIL 30, 1998
WITH COMPARATIVE TOTALS FOR 1997

	<u>Governmental Fund</u>	
	1998	1997
Revenues		
Court Costs	\$ 199,214	\$ 126,219
Garage, Abilgery and Summons, Execution, Warrants and Mortgage Certificate Fees	14,941	13,280
Local Funds - City of Monroe	155,408	604,489
Interest Income	289	-
Other	<u>1,278</u>	<u>3,071</u>
Total Revenues	<u>461,129</u>	<u>747,059</u>
Expenditures		
Actual:		
Current:		
Salaries and Wages	356,804	458,678
Fringe Benefits	121,260	141,870
Assembly and Operating Allowances	95,244	97,268
Contractual Services	-	11,888
Deputy Supplemental Pay	14,258	19,582
Insurance	804	1,708
Maintenance and Supplies	1,628	9,200
Miscellaneous	86,610	5,880
Mortgage Certificate Expenses	1,204	1,204
Office Supplies and Printing	17,455	35,880
Police Dept. Equipment and Supplies	3,012	1,120
Postage	2,168	1,268
Professional Fees	19,711	4,168
Professional Fees - Reimbursement to Marshal and Chief Deputy	70,839	-
Radios Service	2,822	2,884
Traffic and Seminars	1,820	14,000
Utilities	89,170	-
Warrant Car Expenses	7,790	1,804
Debt Service:		
Principal Payments	14,211	98,377
Interest Charges	4,930	6,250
Capital Outlay:	<u>11,421</u>	<u>-</u>
Total Expenditures	<u>945,763</u>	<u>831,542</u>
Excess (Deficiency) of Revenues		
Over Expenditures	6,217	(46,043)
Other Financing Sources/ Less Proceeds	<u>18,211</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>24,428</u>	<u>(92,043)</u>
Fund Balance at Beginning of Year	<u>18,211</u>	<u>26,256</u>
FUND BALANCE AT END OF YEAR	<u>\$ 42,639</u>	<u>\$ (65,787)</u>

The accompanying notes are an integral part of this statement.

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

Note 1 - Summary of Significant Accounting Policies

A. Office

The Monroe City Marshal's Office was created by the State Legislature by Act 32 of 1860 - LA R.S. 13:1879.

The Marshal is the executive officer of the Monroe City Marshal (the Marshal) and is responsible for carrying out the orders of the Court as handed down by its judges. Those orders include the service of process of both civil and criminal suits. The Marshal, whose jurisdiction includes Wards 3 and 10 of Ouachita Parish, is elected for a period of six years. The current term expires December 31, 2002. The Marshal is independently responsible for the General Fund and the trust and agency funds.

B. Basis of Presentation

The accompanying component unit financial statements of the Monroe City Marshal (the Marshal) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

C. Reporting Entity

As the governing authority of the City of Monroe, Louisiana (the City), for reporting purposes the City is the financial reporting entity. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the City reporting entity for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City is financially accountable (see Note 4), the Marshal is determined to be a component unit of the City financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the City financial reporting entity.

B. Fund Accounting

The accounts of the Marshal are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues and expenditures. The following funds and account groups are used by the Marshal:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Marshal. It is used to account for all financial resources except those required to be accounted for in another fund.

FIDUCIARY FUNDS

Trust and Agency Funds - These funds are used to account for assets held by the Marshal in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

ACCOUNT GROUPS

General Fund Assets - This account group is used to account for owned and leased fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of donation. The amount of fixed assets valued at estimated historical cost is insignificant. No depreciation is recorded on general fixed assets. Included in this account group are leased assets totaling \$23,653.

General Long-Term Debt - This account is used to account for long-term liabilities to be financed from governmental funds.

E. 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 refers 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. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Fiduciary Funds includes agency funds whereby assets and liabilities are accounted for on the modified accrual basis of accounting. Fiduciary funds do not present financial position or results of operations.

F. Cash

Cash includes amounts in demand deposits, interest-bearing demand deposits, and cash on hand. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Fixed Assets

The Marshal's office building and part of its furnishings and equipment are provided by the City of Monroe and, accordingly, are recorded in the City's general fixed assets account group. All other furniture and equipment, vehicles, and land and buildings purchased with the Marshal's funds are recorded as an expenditure on the statements of revenues, expenditures, and changes in fund balance and as an asset on the Marshal's combined balance sheet in the General Fixed Asset Account Group.

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1988

W. Total Columns on Financial Statements

Total columns on the financial statements are captioned "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 a consolidation. Interfund eliminations have not been made in the aggregation of this data.

X. Budgets and Budgetary Accounting

The Marshal is an extension of the Court. Since all Court funds are considered to be judicial funds, then the Marshal's funds are also considered to be judicial funds. As a judicial fund, the Marshal is not required to prepare an annual budget since monies from the Marshal's funds can be expended only upon the order of the Marshal. Also, judicial funds are not included within the definition of "political subdivisions" covered by Louisiana Government Budget Act. Thus, no obligation exists to prepare a budget for the Marshal's funds.

Y. Reclassifications of Prior Year

Minor reclassifications to the 1987 financial statements have been made to make them comparable with the current year presentation.

Note 2 - General Operations

GENERAL FUND

The General Fund receives \$10 of each court cost levy for criminal offenses, except juvenile cases. This fund serves as the operating fund for the Marshal. It is available for the Marshal's office capital and operating expenses not otherwise provided by the City of Monroe.

TRUST AND AGENCY FUNDS

The Garnishment/Sales Fund receives garnishment payments and proceeds from the Marshal's sales. Garnishments are withheld by employees and remitted to the Marshal who deducts his commission and remits the balance to the plaintiff. Funds collected by the Marshal but not remitted to the plaintiff as of April 30, 1988, are shown as Due to Officers in the accompanying combined balance sheet.

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

Note 3 - Cash

As April 30, 1998, the carrying amount of the Marshal's cash deposits was \$29,253 and the bank balances were \$17,354, all of which was covered by federal deposit insurance. The difference between the carrying amount of the Marshal's deposits and the bank balance is represented by deposits and checks which had not cleared the bank by April 30, 1998.

Note 4 - General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance April 30, 1997	Additions	Retirements	Balance April 30, 1998
Land and Buildings	\$ 155,625	\$	\$	\$ 155,625
Vehicles	7,742	10,993		18,695
Furniture and Equipment	136,534	489	(5,494)	131,539
	<u>\$ 299,901</u>	<u>\$ 11,481</u>	<u>\$ (5,494)</u>	<u>\$ 305,888</u>

Note 5 - Long-Term Debt

The following is a summary of long-term debt transactions of the Marshal for the year ended April 30, 1998:

	Balance April 30, 1997	Additional Borrowings	Retirements	Balance April 30, 1998
Mortgage Note Payable to Hibernia National Bank for \$97,855, due September 2, 2000, at 11.25%, in monthly installments of \$1,364.	\$	48,582	\$	(10,769)
Secured by real estate.				\$ 34,413

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

Chattel Mortgage Note to Deposit Guaranty Bank for \$20,952, due September 30, 2002, at 10.65%, in monthly installments of \$281.22

	-	10,953	(1,323)	9,630
--	---	--------	---------	-------

Lease-Purchase Agreement with Associates Commercial Corporation for \$25,620 due August 1, 1997, at 6.37% in monthly installments of \$700. Secured by computer equipment.

	<u>2,139</u>		<u>(2,139)</u>	<u>-</u>
\$	47,321	\$	10,953	\$
		\$	(14,231)	\$
				44,043

The debt service requirements to amortize long-term debt at April 30, 1998, is as follows:

Year Ended <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 15,573	\$ 4,163	\$ 19,736
2000	17,432	2,515	19,947
2001	9,678	515	10,193
2002	<u>1,379</u>	<u>32</u>	<u>1,411</u>
\$	44,062	\$	51,073

Note 6 - Related Party Transactions

The City of Monroe, governing authority of the Monroe City Marshal, paid salaries, benefits and certain other operating expenses totaling approximately \$736,436 on behalf of the Marshal during the year ended April 30, 1998.

Note 7 - Lease Commitments

At April 30, 1998, the Marshal was obligated under a noncancelable operating lease agreement covering copier equipment. The original term of the lease was four years with an option to renew the lease on a month-to-month basis. The final lease payments of approximately \$278 will be made during the year ended April 30, 1999, and rental

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 1998

expense incurred in connection with this lease was approximately \$1,600 for the year ended April 30, 1998.

Note 8 - Risk Financing Activities

The Marshal manages its exposure under threat of flood and general liability for its buildings through the purchase of commercial insurance. The remainder of insurance coverage is provided by the City of Monroe.

Note 9 - Litigation

As of April 30, 1998, the Marshal is involved in two lawsuits. Although the outcome of these uncertainties is unknown, management of the Marshal intends to vigorously contest these matters and is of the opinion the resolution of these matters should not materially affect the financial position of the Marshal.

Note 10 - Disclosures About Concentrations

The City of Monroe is required by law to fund the operations of the Monroe City Marshal. The Marshal receives approximately 75% of its revenue for the General Fund from the City of Monroe. The City of Monroe is considering various changes in its fiscal management practices to improve its financial position. The effect of the City's financial restructuring on the operations of the Marshal's office, if any, is unknown.

In addition, collection of court costs by the City Court provides a significant source of funds for the operation of the Marshal's office. The level of this funding is dependent upon the volume and nature of the case load of the City Court.

**SUPPLEMENTAL STATEMENTS -
FINANCIAL STATEMENTS OF INDIVIDUAL
FUNDS AND ACCOUNT GROUPS**

PROCLAMATION

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
GARNISHMENT/SALES AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED APRIL 30, 1998

	<u>Balance</u> <u>April 30,</u> <u>1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30,</u> <u>1998</u>
ASSETS				
Cash	\$ 13,151	\$ 883,311	\$ 876,819	\$ 19,643
TOTAL ASSETS	<u>\$ 13,151</u>	<u>\$ 883,311</u>	<u>\$ 876,819</u>	<u>\$ 19,643</u>
LIABILITIES				
Due To Others	\$ 13,151	\$ 883,311	\$ 876,819	\$ 19,643
TOTAL LIABILITIES	<u>\$ 13,151</u>	<u>\$ 883,311</u>	<u>\$ 876,819</u>	<u>\$ 19,643</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED APRIL 30, 1998

	<u>April 30,</u> <u>1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30,</u> <u>1997</u>
General Fixed Assets				
Land and Buildings	\$ 179,625	\$ -	\$ -	\$ 179,625
Vehicles	7,742	10,953	-	18,695
Furniture and Equipment	<u>136,314</u>	<u>498</u>	<u>(3,494)</u>	<u>133,318</u>
	<u>\$ 323,681</u>	<u>\$ 11,451</u>	<u>\$ (3,494)</u>	<u>\$ 331,638</u>
Investment in General Fixed Assets				
Acquired From General Fund of the Marshal	<u>\$ 279,891</u>	<u>\$ 11,451</u>	<u>\$ (3,494)</u>	<u>\$ 287,848</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

MONROE CITY MARSHAL
(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)
STATEMENT OF MATURITIES OF GENERAL LONG-TERM DEBT
FOR THE YEAR ENDED APRIL 30, 1998

	Amount to be Provided for Payment of Long-Term Debt	General Long-Term Debt Payable			Amount to be Provided From
		Due Within One Year	Due After One Year	Total General Long-Term Debt	
Mortgage Note Payable	\$ 44,043	\$ 15,273	\$ 28,470	\$ 44,043	General Fund
TOTALS - APRIL 30, 1998	<u>\$ 44,043</u>	<u>\$ 15,273</u>	<u>\$ 28,470</u>	<u>\$ 44,043</u>	
TOTALS - APRIL 30, 1997	<u>\$ 47,321</u>	<u>\$ 13,849</u>	<u>\$ 33,372</u>	<u>\$ 47,321</u>	

**REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**



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& Monroe**

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERSHIP FIRM REGISTRATION NO. 0000000000

ANNIE LUFFEY, MBA, CPA
FOUR LAURELS, CPA
J. PAUL MONROE, CPA
EDITH HUFFMAN, CPA
DORIS A. COLEMAN, CPA

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

**Mr. Richard E. Reitzel
Monroe City Marshal
Monroe, Louisiana**

We have audited the component unit financial statements of the Monroe City Marshal, Monroe, Louisiana (the Marshal) as of and for the year ended April 30, 1998 and have issued our report thereon dated October 27, 1998. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the Marshal's component unit 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 component unit financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Marshal's ability to record, process, summarize and report financial data consistent with the assertions of

Mr. Richard E. Reitzel
Monroe City Marshal

management in the component unit financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 95-01.

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 component unit 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described in the accompanying Schedule of Findings and Questioned Costs as item 95-01 to be a material weakness.

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

Ruffin, Huffman & Moore (APAC)

October 22, 1998

**CITY MARSHAL OF MONROE
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED APRIL 30, 1998**

Finding Related to the Financial Statements that is required to be reported under Government Auditing Standards:

98-01 Reconciliation of Garnishment Bank Account

Findings:

The bank account which services the Garnishment Agency Fund had not been reconciled in a timely manner.

Recommendation:

We recommend the person maintaining the records for this bank account prepare the bank reconciliation for the Marshal's review on a timely basis.

Management's Corrective Action Plan:

The person charged with recording deposits and payments will begin reconciling the bank account to the check register on a timely basis effective immediately.

**MONROE CITY MARSHAL
MONROE, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED APRIL 30, 1998**

In connection with our audit of the Marshal as of and for the year ended April 30, 1998, in accordance with Government Auditing Standards we have also reviewed the status of material prior year findings included in our report dated October 21, 1997. The following table presents the status of these findings:

<u>Prior Year Findings</u>	<u>Current Year Status</u>
Reconciliation of Disbursements Bank Account	Repeat Internal Control Comment
Segregation of Accounting Duties	Closed
Need to Record All Financial Records Timely	Closed
Need Approval of Invoices Prior to Payment	Closed



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CERTIFIED PUBLIC ACCOUNTANTS

26 Professional Accounting Organization

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To Richard E. Reitzel
Monroe City Marshal

In planning and performing our audit of the component unit financial statements of the Monroe City Marshal (The Marshal) as of April 30, 1998, and for the year then ended, certain matters came to our attention which we believe should be conveyed to the Marshal. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated October 22, 1998, on the component unit financial statements.

1. Timely Bank Reconciliations

Finding:

The bank reconciliations were not completed timely for the garnishment account. On October 16, 1998 the bank reconciliations were completed for the months of February, March and April, 1998.

Recommendation:

The person maintaining records for the Marshal's office should complete bank reconciliations on all accounts as soon as the bank statements arrive.

Management's Corrective Action Plan:

The person maintaining the records for the Marshal's office will perform all bank reconciliations on all bank accounts beginning with May 1998 and keep them current. The Marshal will monitor this activity on a monthly basis.

Luffey, Huffman & Monroe (LHM)

October 22, 1998

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