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**WARD FOUR MARSHAL  
SULPHUR, LOUISIANA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**JUNE 30, 1999**

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 **DEC 29 1999**

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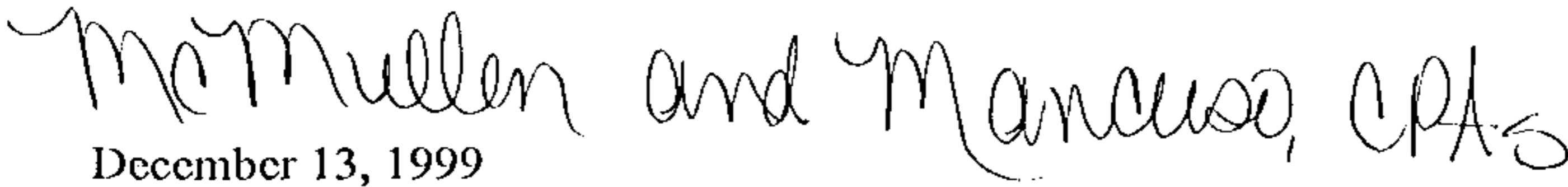
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Honorable MC Simmons  
Ward Four Marshal  
Sulphur, Louisiana

We have compiled the accompanying component unit financial statements of the Ward Four Marshal as of and for the year ended June 30, 1999, as listed in the table of contents, in accordance with the Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

  
December 13, 1999

**WARD FOUR MARSHAL  
Sulphur, Louisiana  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1999**

	<u>General Fund</u>	<u>Agency Fund</u>	<u>General Fixed Assets</u>
<b>Assets and Other Debits</b>			
Assets:			
Cash (Note D)	\$ 116,700	\$ -	\$ -
Prepaid Expenditures	-	-	-
Due From Other Funds	-	249	-
Property, Plant and Equipment (Note E)	<u>-</u>	<u>-</u>	<u>131,794</u>
Total Assets and Other Debits	<u>\$ 116,700</u>	<u>\$ 249</u>	<u>\$ 131,794</u>
<b>Liabilities, Equity, and Other Credits</b>			
Liabilities:			
Cash Overdraft	\$ -	\$ 249	\$ -
Garnishments and Seizures Payable	-	-	-
Due to Other Funds	<u>249</u>	<u>-</u>	<u>-</u>
Total Liabilities	\$ 249	\$ 249	\$ -
Equity and Other Credits:			
Investment in General Fixed Assets	\$ -	\$ -	\$ 131,794
Fund Balances, Unreserved Undesignated	<u>116,451</u>	<u>-</u>	<u>-</u>
Total Equity and Other Credits	<u>116,451</u>	<u>-</u>	<u>131,794</u>
Total Liabilities, Equity and Other Credits	<u>\$ 116,700</u>	<u>\$ 249</u>	<u>\$ 131,794</u>

See accompanying accountants' compilation report and notes to the financial statements.

**WARD FOUR MARSHAL  
Sulphur, Louisiana,  
a component unit of  
the City of Sulphur**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GENERAL FUND**

**June 30, 1999**

**REVENUES:**

Intergovernmental Revenue	\$ 77,042
Fees	4,427
Interest Revenue	<u>6,997</u>
Total	<u>88,466</u>

**EXPENDITURES:**

Advertising	30
Bank Service Charges	447
Capital Outlay	18,397
Cleaning and Maintenance	1,100
Dues	128
Equipment Maintenance and Repair	129
Fees	6,997
Insurance	375
Office Supplies	202
Postage	652
Professional	5,200
Salaries and Contract Labor	32,857
Supplies	1,413
Telephone	1,655
Vehicle Expense	<u>4,003</u>
Total Expenditures	<u>73,585</u>

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,881
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FUND BALANCE, July 01	<u>101,570</u>
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FUND BALANCE, June 30	<u>\$ 116,451</u>
-----------------------	-------------------

See accompanying accountants' compilation report and notes to the financial statements.

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
**a component unit of**  
**the City of Sulphur**

NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

**Note A – Summary of Significant Accounting Policies**

The Ward Four Marshal is an independently elected official and the Ward Four Marshal's office is part of the operation of the City of Sulphur, Louisiana courts system. The Marshal's office is financially dependent upon the City of Sulphur for office space.

In conformance with the National Council on Governmental Accounting, Statement 14, the Ward Four Marshal's office is a component unit of the City of Sulphur, Louisiana. The accompanying financial statements present information only in the funds and account groups maintained by the Ward Four Marshal and do not present information in the City of Sulphur, Louisiana and the general government services provided by that governmental unit.

**1. Basis of Presentation**

The accompanying financial statements of the Ward Four 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.

**2. Reporting Entity**

GASB Statement No. 14 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 Statement No. 14, the authority includes all funds, accounting groups, et cetera that are within the oversight responsibility of the Marshal's office.

**3. Fund Accounting**

The accounts of the Ward Four Marshal's office are organized on the basis of funds or 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 or

**WARD FOUR MARSHAL  
Sulphur, Louisiana  
a component unit of  
the City of Sulphur**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 1999**

**3. Fund Accounting (continued)**

expenditures. The following funds and groups of accounts are used by the Ward Four Marshal.

Governmental Fund Type:

General Fund –

The general fund is the general operating fund of the Ward Four Marshal's office. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Fiduciary Fund Type:

Agency Fund –

Agency Funds are used to account for the assets held by the Ward Four Marshal as an agent for other funds and/or governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Account Groups:

General Fixed Assets Account Group –

The General Fixed Assets Account Group is used to account for 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 historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of the donation. No depreciation is recorded on general fixed assets.

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
**a component unit of**  
**the City of Sulphur**

NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

**4. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets

and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred.

**5. Cash and Cash Equivalents and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Marshal may invest in United States bonds, treasury notes, or certificates. These are classified as investments of their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are state at cost.



**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
**a component unit of**  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

**Note B – Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note C – Budgets and Budgetary Accounting**

The Ward Four Marshal does not currently adopt a budget and thus no budget comparison is presented in these statements.

**Note D – Cash and Investments**

At June 30, 1999 the book balances and the bank balances of the Marshal's deposits were as follows:

June 30, 1999	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC): DDA	<u>\$ 116,700</u>	<u>\$ 127,035</u>

These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value is the pledged securities plus the federal deposit insurance must at all times equal the amount on the with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Marshal had \$127,035 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

**WARD FOUR MARSHAL  
Sulphur, Louisiana  
a component unit of  
the City of Sulphur**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 1999**

**Note E – Changes in Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the fiscal years.

	<u>July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 1999</u>
Vehicles	\$ 81,401	18,397	-	\$ 99,798
Gun Inventory	1,595	-	-	1,595
Office furniture and equipment	29,136	-	-	29,136
Leasehold Improvements	1,265	-	-	1,265
Total Investments in General Fixed Assets	<u>\$ 113,397</u>	<u>18,397</u>	<u>-</u>	<u>\$ 131,794</u>

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**Independent Accountants' Report on Applying Agreed-Upon Procedures**

To the Honorable MC Simmons  
Ward Four Marshal  
Sulphur, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed upon by the management of the Ward Four Marshal, Sulphur, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward Four Marshal's compliance with certain law and regulations during the year ended June 30, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law):

The Marshal had one expenditure during the year for material and supplies exceeding \$5000, and bid laws were followed. No expenditures for public works exceeded \$50,000.

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests off all board members and employees, as well as their immediate families.

The Marshal provided us with the required list including the noted information.

December 13, 1999  
Continued

3. Obtain from management a listing of all employees paid during the period under examination.

The Marshal provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by the Marshal [agreed-upon procedure (3)] appeared on the list in agreed-upon procedure (2).

5. Obtain a copy of the legally adopted budget and all amendments.

The Marshal did not adopt a budget for this fiscal year. He has provided us with a copy of the budget for the year ending June 30, 2000.

6. Trace the budget adoption and amendments to the minute book.

No budget was adopted.

7. Compare the revenue and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

No budget was adopted.

### **Accounting and Reporting**

Randomly select 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the proper payee.

- b) determine if payments were properly coded to the correct fund and general ledger account;

All of the disbursements selected were coded to the correct fund and general ledger account.

December 13, 1999  
Continued

- c) determine whether payments received approval from proper authorities;

Inspection of documentation for each of the selected disbursements indicated approval from the proper authorities.

### **Meetings**

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meeting law)

N/A - The Marshal's Office does not have a board.

### **Debt**

9. Examine bank deposits for the period under examination and determine whether any such deposit appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### **Advances and Bonuses**

10. Examine payroll records and minutes for the year to determine whether any payments have been made to employees who may constitute bonuses, advances, or gifts.

The Marshal indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior audit report dated March 23, 1999; included comments regarding failure to adopt a budget, commingling of garnishments and seizures, and late filing of audits of the financial statements. We consider this matter resolved. Our report also included comments regarding the Board's compliance with LSA-RS 42:1 through 42:12. We also consider this matter closed.

The Marshal did not adopt a budget for the year ended June 30, 1999, but has adopted one for the year ending June 30, 2000. We consider this matter closed.

December 13, 1999  
Continued

The Marshal opened a separate bank account for garnishments and seizures in January 1999. We consider this matter closed.

The Marshal will file the financial statements and compilation / attestation report timely for the year ended June 30, 1999. We consider this matter resolved.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Ward Four Marshal and the legislative Auditor, State of Louisiana, and should not be used by those have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*McMullen and Mancuso CPAs*

December 13, 1999