

# MONROE CITY MARSHAL

Financial Statements  
For the Year Ended April 30, 1989

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or auditee, 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.

NOV 10 1989

Release Date: \_\_\_\_\_

**MONROE CITY MARSHAL**  
**FINANCIAL REPORT**  
**AS OF AND FOR THE YEAR ENDED APRIL 30, 1999**

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**MONROE CITY MARSHAL**  
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**AS OF AND FOR THE YEAR ENDED APRIL 30, 1996**

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Luffey  
Huffman  
& Monroe

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 1999, as listed in the Table of Contents. These 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.

Except as discussed in the following paragraph, 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.

Because of the inadequacy of accounting records for the year ended April 30, 1999, we were unable to form an opinion regarding the financial activities of the Fiduciary Fund Type columns included in the accompanying component unit financial statements.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the financial activities of the Fiduciary Fund Type, 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, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

**Mr. Richard E. Reibell**  
**Monroe City Marshal**

In accordance with Government Auditing Standards, we have also issued our report dated July 30, 1999, 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.

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. Except for the Fiduciary Fund Type Schedule of Changes in Assets and Liabilities, 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.



[A Professional Accounting Corporation]

July 30, 1999

**COMPONENT UNIT FINANCIAL STATEMENTS -  
OVERVIEW**

**MONROE CITY MARSHAL**  
**(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)**  
**COMBINED BALANCE SHEETS**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**AS OF APRIL 30, 1999**

	<b>Governmental Fund Type</b>	<b>Fiduciary Fund Type (Disallowed)</b>
<b>ASSETS AND OTHER DEBITS</b>		
Cash	\$ 12,874	\$ 9,891
Accounts Receivable - Monroe City Court	13,515	-
Prepaid Insurance	2,763	-
Property and Equipment:		
Land and Buildings	-	-
Vehicles	-	-
Furniture and Equipment	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 29,152</b>	<b>\$ 9,891</b>
 <b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 26,825	\$ -
Due To Others	-	9,891
Long Term Obligations	-	-
Total Liabilities	26,825	9,891
 <b>Fund Equity and Other Credits</b>		
Investment in General Fund Assets	-	-
Fund Balance	12,327	-
Total Fund Equity and Other Credits	12,327	-
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 39,152</b>	<b>\$ 9,891</b>

The accompanying notes are an integral part of this statement.

Account Groups		Totals	
General	General	(Memorandum Only)	
Fixed	Long-Term	April 30,	April 30,
Assets	Debt	1969	1968
\$ -	\$ -	\$ 22,765	\$ 29,253
-	-	23,311	23,469
-	-	2,767	363
158,091	-	158,091	153,873
22,153	-	22,153	18,899
124,799	-	124,799	153,338
-	38,938	38,936	44,043
<u>\$ 185,103</u>	<u>\$ 38,938</u>	<u>\$ 403,072</u>	<u>\$ 384,966</u>
\$ -	\$ -	\$ 26,823	\$ 5,494
-	-	9,891	19,643
-	38,936	38,936	44,043
-	38,936	78,843	69,087
313,303	-	313,303	287,628
-	-	13,327	28,001
<u>313,303</u>	<u>-</u>	<u>327,438</u>	<u>315,629</u>
<u>\$ 313,303</u>	<u>\$ 38,936</u>	<u>\$ 403,072</u>	<u>\$ 384,966</u>



**MUNICIPALITY OF MONROE, LOUISIANA**  
**(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, 1999**  
**WITH COMPARATIVE TOTALS FOR 1998**

	<u>General Fund</u>	
	<u>1999</u>	<u>1998</u>
<b>Revenues</b>		
Court Costs	\$ 256,000	\$ 199,004
Storage, Mileage and Services, Division, Warrant and Mortgage Certificate Fees	8,972	14,941
Local Funds - City of Monroe	712,000	756,426
Interest Income	182	289
Other	28,117	1,028
<b>Total Revenues</b>	<u>1,085,269</u>	<u>968,228</u>
<b>Expenditures</b>		
<b>Current</b>		
Salaries and Wages	554,473	604,874
Fringe Benefits	158,808	171,500
Automobile and Operating Allowances	198,213	96,549
Deputy Supplemental Pay	51,423	14,228
Insurance	2,818	828
Maintenance and Supplies	18,979	1,628
Miscellaneous	4,884	16,650
Mortgage Certificate Expenses	862	1,364
Office Supplies and Printing	14,479	71,444
Police (Mag. Equipment and Supplies	7,871	3,042
Postage	1,200	3,488
Professional Fees	17,687	95,721
Professional Fees - Reimbursement to Marshal and Chief Deputy	-	72,859
Radio Service	4,804	3,021
Taxes and Licenses	17,792	3,837
Utilities	14,708	18,170
Warrant Car Expenses	11,860	2,760
<b>Debt Service:</b>		
Principal Retirement	17,264	14,231
Interest Charges	5,069	4,930
Capital Outlay	61,660	11,431
<b>Total Expenditures</b>	<u>1,075,236</u>	<u>985,301</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over Expenditures</b>	(10,009)	6,511
<b>Other Financing Sources: Loan Proceeds</b>	<u>31,176</u>	<u>18,821</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures</b>	(11,699)	17,478
<b>Fund Balance at Beginning of Year</b>	<u>28,001</u>	<u>18,091</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 16,302</u>	<u>\$ 35,569</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 OR THE YEAR ENDED APRIL 30, 1999**

**Note 1 - Summary of Significant Accounting Policies**

**A. History**

The Monroe City Marshal's Office was created by the State Legislature by Act 12 of 1960 - L.A.R.S. 12:1176.

The Marshal is the executive officer of the Monroe City Court (the Court) and is responsible for carrying out the orders of the Court as handed down by its judges. These orders include the service of process of both civil and criminal suits. The Marshal, whose jurisdiction includes Wards 5 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 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 criterion 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 OR THE YEAR ENDED APRIL 30, 1999**

- 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 5), 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.

**2). 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 Fixed 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

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**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND OR THE YEAR ENDED APRIL 30, 1999**

historical cost is not available. Donated 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 general fixed assets are leased assets totaling \$12,126.

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 relates 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 include 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 balances 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/OR THE YEAR ENDED APRIL 30, 1999**

*M. Total Columns on Financial Statements*

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

*J. 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 subdivision" covered by Louisiana Government Budget Act. Thus, no obligation exists to prepare a budget for the Marshal's funds.

*K. Reconciliation of Prior Year*

Minor reconciliations to the 1998 financial statements have been made to make them comparable with the current year presentation.

**Note 2 - General Operations**

*General Fund*

The General Fund receives \$20 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.

*Treat And Agency Funds*

The Garnishment/Sale Fund receives garnishment payments and proceeds from the Marshal's sales. Garnishments are withheld by employers 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, 1999, are shown as Due to Others in the accompanying combined balance sheet.

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**(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND OR THE YEAR ENDED APRIL 30, 1999**

**Note 3 - Cash**

At April 30, 1999, the carrying amount of the Marshal's cash deposits was \$22,765 and the bank balances were \$37,219, 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 that had not cleared the bank by April 30, 1999.

**Note 4 - General Fixed Assets**

A summary of changes in general fixed assets follows:

	Balance April 30, 1998	Additions	Retirements	Balance April 30, 1999
Land and Buildings	\$ 135,625	\$ 22,466	\$	\$ 158,091
Vehicles	18,695	15,200	(7,742)	26,153
Furniture and Equipment	133,538	28,636	(28,415)	133,759
	\$ 287,858	\$ 66,302	\$ (36,157)	\$ 317,993

**Note 5 - Long-Term Debt**

The following is a summary of long-term debt transactions of the Marshal for the year ended April 30, 1999:

	Balance April 30, 1998	Additional Borrowings	Repayments	Balance April 30, 1999
Mortgage Note Payable to Hibernia National Bank for \$91,035, due September 2, 2003, at 11.25%, in monthly installments of \$1,364				
Secured by real estate	\$ 34,413	\$	\$ (13,108)	\$ 21,305

**MONROE CITY MARSHAL**  
**(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND OR THE YEAR ENDED APRIL 30, 1999**

Capital Lease Obligation (Note 7)	-	12,128	(1,670)	10,458
Chattel Mortgage Note to Deposit Guaranty Bank for \$16,953, due September 30, 2002, at 10.68%, in monthly installments of \$281.23	<u>9,630</u>	<u>-</u>	<u>(2,467)</u>	<u>7,163</u>
	<u>\$ 44,843</u>	<u>\$ 12,128</u>	<u>\$ (17,247)</u>	<u>\$ 38,990</u>

The debt service requirements to amortize long-term debt other than capital lease obligations at April 30, 1999, are as follows:

<u>Year Ended</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	17,402	2,318	19,720
2001	9,678	515	10,193
2002	<u>1,370</u>	<u>37</u>	<u>1,407</u>
	<u>\$ 28,450</u>	<u>\$ 2,867</u>	<u>\$ 31,317</u>

**Note 6 - On Behalf Payments**

The City of Monroe, governing authority of the Monroe City Marshal, paid salaries, benefits and certain other operating expenses totaling approximately \$715,000 on behalf of the Marshal during the year ended April 30, 1999.

**Note 7 - Lease Commitments**

The Marshal leases various office equipment. Rental expense in connection with the lease was \$2,300 for the year ended April 30, 1999. This lease will expire in the next fiscal year.

Future minimum lease payments required under capital leases and noncancelable operating leases for the next 5 years and in the aggregate are as follows:

**MONROE CITY MARSHAL**  
**(A COMPONENT UNIT OF THE CITY OF MONROE, LOUISIANA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND OR THE YEAR ENDED APRIL 30, 1999**

	Capital Leases	Operating Leases
2000	\$ 3,114	\$ 3,915
2001	3,314	3,970
2002	3,314	3,970
2003	3,314	300
2004	200	-
Total	12,716	\$ 11,355
Less: Amounts representing interest	(2,260)	
Present Value of future minimum lease payments	\$ 10,456	

**Note 8 - Risk Financing Activities**

The Marshal manages its exposure under auto and general liability for its buildings through the purchase of commercial insurance.

**Note 9 - Litigation**

As of April 30, 1999, the Marshal is involved in three 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 over 70% of its revenue for the General Fund from the City of Monroe.

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.

**Note 11 - Commitments and Contingencies**

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related



**MONROE CITY MARSHAL**  
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**NOTES TO FINANCIAL STATEMENTS**  
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transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 99 versus 1999. These systems will potentially recognize the "00" as the year 1900 instead of 2000. On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

The Marshal has conducted a study of its own systems and operations. Based on this study, the Marshal recognizes and plans to initiate a project to take all necessary and reasonable steps to get the mission critical systems and operations Y2K compliant in a timely manner. The project will include confirming the Y2K preparedness of significant third parties.

The timetable for the planned completion of the internal Y2K modification is management's estimate. The estimate was based on numerous assumptions as to future events. There can be no guarantee that the estimate will prove accurate, and actual results could differ from those estimated if these assumptions prove inaccurate. Additionally, there can be no absolute guarantee that significant third parties will successfully and timely convert their systems.

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

**PERICLITARY POND**

**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, 1999**

	<u>Balance April 30, 1998</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance April 30, 1999</u>
<b>ASSETS</b>				
Cash	\$ <u>19,643</u>	\$ <u>345,934</u>	\$ <u>335,686</u>	\$ <u>9,891</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>19,643</u></b>	<b>\$ <u>345,934</u></b>	<b>\$ <u>335,686</u></b>	<b>\$ <u>9,891</u></b>
<b>LIABILITIES</b>				
Due To Others	\$ <u>19,643</u>	\$ <u>345,934</u>	\$ <u>335,686</u>	\$ <u>9,891</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>19,643</u></b>	<b>\$ <u>345,934</u></b>	<b>\$ <u>335,686</u></b>	<b>\$ <u>9,891</u></b>

**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, 1999**

	<u>April 30,</u> <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30,</u> <u>1999</u>
<b>General Fixed Assets</b>				
Land and Buildings	\$ 138,625	\$ 22,466	\$ -	\$ 158,091
Vehicles	38,695	11,280	(7,742)	22,253
Furniture and Equipment	<u>133,538</u>	<u>29,636</u>	<u>(28,415)</u>	<u>134,759</u>
	<u>\$ 287,858</u>	<u>\$ 63,402</u>	<u>\$ (28,157)</u>	<u>\$ 315,103</u>
<b>Investment in General Fixed Assets</b>				
Acquired From General Fund of the Marshal	<u>\$ 287,858</u>	<u>\$ 63,402</u>	<u>\$ (28,157)</u>	<u>\$ 315,103</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, 1999**

	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 Notes Payable	\$ 28,478	\$ 17,422	\$ 11,056	\$ 28,478	General Fund
Capital Lease Obligation	30,456	2,751	8,355	38,456	
<b>TOTALS - APRIL 30, 1999</b>	<b>\$ 58,934</b>	<b>\$ 20,173</b>	<b>\$ 19,411</b>	<b>\$ 39,584</b>	
<b>TOTALS - APRIL 30, 1998</b>	<b>\$ 44,843</b>	<b>\$ 15,575</b>	<b>\$ 29,268</b>	<b>\$ 44,843</b>	



**REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**



Luffey  
Huffman  
& Monroe

MEMBERSHIP ACCOUNTING SOCIETY  
CERTIFIED PUBLIC ACCOUNTANTS

John A. Luffey, CPA, CMA  
Francis A. Huffman, CPA  
L. Brockmeyer, CPA  
D.P. Williams, CPA  
Cody A. Glass, 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, 1999 and have issued our report thereon dated July 30, 1999. In our report, we did not express an opinion on the Fiduciary Fund Type due to inadequate accounting records. 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 condition involves 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. Reitzell**  
**Monroe City Marshal**

management in the component unit financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 99-01.

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 as item 99-01 to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Marshal's office in a separate letter dated July 30, 1999.

This report is intended solely for the information and use of management of the Marshal's office and the legislative auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

July 30, 1999

**CITY MARSHAL OF MONROE  
MONROE, LOUISIANA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED APRIL 30, 1999**

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

**99-01            Reconciliation of Garnishment Bank Account**

***Finding:***

The bank account which carries the Garnishment Agency Fund has not been correctly reconciled. Each month an adjustment ranging from \$100 to \$11,000 is made by the computer to reconcile the check register to the bank statement. Some payments per the check register do not agree to reconciled checks. Additionally, we noted some checks had cleared in previous months but were not marked as cleared during the reconciliation process. The Marshal's Office uses a software program to monitor individual garnishment accounts. Payments received are credited to the individual's account and distributed accordingly to principal, interest, attorney fees and Marshal's fees. Many payments are received from a single employer for multiple garnishments. If payment is received on a new garnishee that has not been entered in the software program, this amount is highlighted to be entered after the garnishment information has been received from the Court. However, the check is deposited on the date received or the following business day. This results in daily deposits per the bank not equaling the deposits per the garnishment file. Each Friday, the garnishment file is imported numerically, according to check number, into the accounting software, Quickon, to print bank payments to the various vendors (attorneys, court, marshal, lenders, etc.) Importing the garnishment file only on Friday also increases the difficulty of tracking deposits per the file to deposits per the bank, especially if the month end falls on any other day but Friday. Due to the Garnishment Agency Fund not being properly reconciled monthly, we were unable to determine the amount of funds currently available per the check register. The software that is currently in use has not been certified to be Y2K compliant. If systems and operations are not made Y2K compliant, this could impact services, activities, and accountability for public funds.

***Recommendation:***

We recommended the Marshal's Office review the current software with their computer consultant and the software developer and address the following issues: Y2K compliance; cut-off problems associated with importing the garnishments program into Quickon software, mainly as it relates to deposits; and, payments received from new garnishees whose information has not previously been entered into the garnishments program. We also recommended the bookkeeper maintaining the records for this bank account review past bank statements and compare the checks and deposits that have cleared with the items currently outstanding. We further recommend this individual more closely monitor the bank statement and compare the

**CITY MARSHAL OF MONROE  
MONROE, LOUISIANA  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED APRIL 30, 1999**

amounts to the check register when preparing the bank reconciliations. Additionally, the bank statements should be reconciled to the bank account within five days of receipt of the statement.

***Management's Corrective Action Plans:***

The Marshal will immediately consult with the computer consultant to upgrade their current systems to be Y2K compliant. The software developer will be consulted to not only upgrade the garnishment file program to be Y2K compliant and provide accurate cut-off data enabling accurate reconciliations, but to also train the staff on how the program functions. The bookkeeper charged with reconciling the check register to the bank statement will begin reviewing the bank statement and compare it to the check register each month. Furthermore, the payments and deposits currently outstanding will be reviewed against prior bank statements to determine if the items had previously cleared. Reconciliations will be performed within five days of receipt of the bank statement beginning September 1, 1999.

**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 the Louisiana Governmental Audit Guide we have also reviewed the status of prior year findings included in our report dated October 22, 1998. The following table presents the status of that finding:

<u>Prior Year Finding</u>	<u>Current Year Status</u>
Reconciliation of Garnishments Bank Account	Repeat Internal Control Comment



**Luffey  
Huffman  
& Monroe**

an Equal Opportunity/Affirmative Action Company  
**CERTIFIED PUBLIC ACCOUNTANTS**

John L. Luffey, MBA, CPA  
Forrest Huffman, CPA  
L. Paul Monroe, CPA  
John W. Wainwright, CPA  
George A. Carter, CPA

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

In planning and performing our audit of the general-purpose financial statements of the Monroe City Marshal, Monroe, Louisiana (the Marshal) for the years ended April 30, 1993, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated July 30, 1993 on the financial statements of the Marshal.

#### **Invoices Not Available**

##### **Finding:**

During the year the Marshal purchased two vehicles totaling \$7,300. Invoices or bills of sale were not available to support the purchase price of these vehicles. Although the registration certificate supported the purchase price of one vehicle, the registration certificate of the second vehicle did not indicate the purchase price.

##### **Recommendation:**

We recommend the bookkeeper immediately begin requesting invoices and verifying items received prior to writing checks. We further recommend the Marshal receive invoices or bills of sale prior to purchasing items.

##### **Management's Corrective Action Plan:**

The bookkeeper will immediately begin requesting invoices in support for each check before it is written. The Marshal will monitor the invoices prior to signing the checks.

#### **Distribution of Seized Funds**

##### **Finding:**

During our audit we noted an instance where funds were received for payment of seized property in the amount of \$2,908. All seized property sold or reclaimed has an expense

distribution report prepared to verify funds received and subsequent distribution. In this particular case an expense distribution report could not be located to support the calculation of the amount of funds received and their subsequent distribution.

**Recommendation:**

We recommend the Marshal's Office complete and file in the dockets expense distribution reports to support the amount of funds received in payment for seized property and the subsequent distribution of these funds.

**Management's Corrective Action Plan:**

The sales clerk and deputies receiving funds in payment for seized property will properly complete expense distribution reports beginning immediately. Before these reports are filed in the dockets, the sales clerk will review the distribution report for completion and proper computation.

**Automobile Insurance**

**Finding:**

The Marshal currently uses seven vehicles of which four are registered as belonging to the Monroe City Marshal and three are registered to the City of Monroe. The four vehicles registered in the Marshal's name are currently insured by the Marshal's Office. In the first quarter of fiscal 1999, the City Attorney wrote a memo to the Mayor advising the City to not assume the liability and responsibility for the operation of the vehicles used by the Marshal and his employees. Therefore, this left the three vehicles owned by the City but used by the Marshal uninsured. Failure to adequately insure assets increases the risk of liability to the Marshal's Office in the event of an accident.

**Recommendation:**

We recommend the Marshal's Office increase their automobile coverage to include the additional three vehicles currently not insured to decrease their risk of liability.

**Management's Corrective Action Plan:**

Insurance coverage will be obtained immediately to cover all vehicles used by the Marshal's Office.



### **Gasoline Credit Card**

#### **Finding:**

We noted on five different occasions, one deputy with a Monroe City Marshal's Office gasoline credit card, purchased at least two tanks of gasoline in one day in the local area. We noticed on two different occasions this same deputy purchased gasoline when he was on sick leave. In addition, small unidentified items were also charged to the credit card. From the documentation available, we were unable to determine if the expenses were reasonable and necessary to the conduct of the Marshal's Office. Furthermore, gasoline tickets were not reviewed for the appropriateness of the expenditure and reconciled to the monthly statement. Allowing employees to use credit cards with very little monitoring increases the potential for mismanagement of public funds.

#### **Recommendation:**

We recommend the bookkeeper review all gas tickets for reasonableness and appropriateness of the expenditure and reconcile the credit card statements with all supporting documentation. Any questions arising should be reported to the Marshal. We also recommend the Marshal review all gas tickets before approving the invoice for payment. In addition, we recommend that all items charged to the credit cards be identified.

#### **Management's Corrective Action Plan:**

Effective April 1999, individuals using gasoline credit cards were informed that gasoline should not be purchased more than once a week unless traveling out of town on business. Effective August 23, 1999, the bookkeeper will review credit card tickets turned in daily for appropriateness and reasonableness and compare to supporting documentation. Any questions or problems will be brought to the attention of the Marshal. Gas tickets will also be reconciled to the monthly statement. Beginning August 23, 1999, the Marshal will review tickets more closely for potential abuse.

### **Miscellaneous Expenditures**

#### **Finding:**

Expenditures for magazine subscriptions, floral arrangements, and a Family Day Picnic totaling \$841 were paid from the operating and expense fund. The above items do not appear reasonable and necessary to the operations of the office and should not be paid for with public funds.

Mr. Richard E. Reitzel  
Monroe City Marshal  
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**Recommendation:**

We recommend the City Marshal reimburse \$241 to the operating and expense fund for the expenditures. We recommend that any future expenditures paid from the operating and expense fund provide a clear and direct benefit and be reasonable and necessary to the operations of the Marshal's Office.

**Management's Corrective Action Plan:**

The Marshal will reimburse the operating and expense fund \$241 by August 23, 1999. The magazine subscriptions not necessary to the operations of the office have been discontinued as of August 1, 1999.

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



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July 30, 1999