

**Monroe City Marshal  
Monroe, Louisiana**

**Basic Financial Statements  
With Independent Auditors' Report  
As of and for the Year Ended  
April 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 **NOV 02 2011**

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

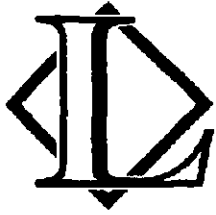
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**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
BASIC FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

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**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditors' Report**

Mr. Wince Highshaw,  
Monroe City Marshal  
Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe City Marshal, a component unit of the City of Monroe, as of and for the year ended April 30, 2011, which collectively comprise the Monroe City Marshal's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Monroe City Marshal. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe City Marshal as of April 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2011, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 and the budgetary comparison information on pages 21 through 22 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Monroe, Louisiana  
October 25, 2011

*Management's Discussion and Analysis*

**MONROE CITY MARSHAL  
MONROE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

Our discussion and analysis of the Monroe City Marshal's financial performance provides an overview for the Marshal's financial activities for the fiscal year ended April 30, 2011. Please read it in conjunction with the Marshal's financial statements, which begin on page 8.

**FINANCIAL HIGHLIGHTS**

The Marshal's net assets decreased by \$117,010 from 2010 to 2011.

The Marshal's total program revenues were \$338,334 in 2011 compared to \$376,469 in 2010, a decrease of \$38,135.

During the year ended April 30, 2011, the Marshal had total expenses, excluding depreciation, of \$1,495,911.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Marshal's Office as a whole. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Marshal's most significant funds. The remaining statements provide financial information about activities for which the Marshal acts solely as a trustee or agent for the benefit of those outside of the Marshal. The Marshal is an independently elected official. However, the Marshal is fiscally dependent on the City of Monroe for office space and related utility costs, as well as substantially all funding of salary and related employee benefit costs. Because the Marshal is fiscally dependent on the City of Monroe, the Marshal was determined to be a component unit of the City of Monroe. The accompanying financial statements present information only on the funds maintained by the Marshal.

**Reporting the Funds Maintained by the Marshal as a Whole**

*The Statement of Net Assets and the Statement of Activities*

Our analysis of the funds maintained by the Marshal as a whole begins on page 4. One of the most important questions asked about the Marshal's finances is "Is the Marshal as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities on pages 8 and 9 - 10, respectively, report information about the funds maintained by the Marshal as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Marshal's net assets and changes in them. You can think of the Marshal's net assets - the difference between assets and liabilities - as one way to measure the

Marshal's financial health, or financial position. Over time, increases or decreases in the Marshal's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we record the funds maintained by the Marshal's governmental activities, which is described as follows:

Governmental activities - all of the expenses paid from the funds maintained by the Marshal are reported here which consists primarily of salaries and related benefits, capital outlay, certain materials and supplies, communication services, repairs and maintenance, and other program services. Fees for services (court costs and service returns), bond forfeitures, and on-behalf payments from the City of Monroe finance most of these activities.

### **Reporting the Most Significant Funds Maintained by the Marshal**

Our analysis of the major funds maintained by the Marshal begins on page 6. The fund financial statements begin on page 8 and provide information about the most significant funds maintained by the Marshal - not the Marshal as a whole. However, the Marshal may establish other funds to help it control and manage money for particular purposes to show that it is meeting legal responsibilities for using certain fees. The Marshal governmental funds use the following accounting approaches:

Governmental funds - The Marshal's operating expenditures are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Marshal's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Marshal expenses. We describe the relationship (or differences) between governmental activities (reported in the Statement of Activities) and governmental funds in a reconciliation in Note 1 to the financial statements.

### **The Marshal as Trustee**

The Marshal is the trustee, or fiduciary, for sales and seizure and garnishment funds. All of the Marshal's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 11. We exclude these activities from the Marshal's other financial statements because the Marshal cannot use these assets to finance its operations. The Marshal is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

### **THE FUNDS MAINTAINED BY THE MARSHAL AS A WHOLE**

The Marshal's total net assets changed from a year ago, decreasing from a year ago from \$258,099 to \$141,089. Our analysis below will focus on key elements of the total governmental funds for the years ended April 30, 2011 and 2010.



**Table 1  
Net Assets**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Current assets	\$ 93,592	\$ 198,735
Capital assets, net	111,139	70,079
Total assets	<u>204,731</u>	<u>268,814</u>
Current liabilities	12,963	2,493
Noncurrent liabilities	50,679	8,222
	<u>63,642</u>	<u>10,715</u>
Net assets:		
Investment in capital assets, net of debt	60,460	61,857
Unrestricted	80,629	196,242
Total net assets	<u>\$ 141,089</u>	<u>\$ 258,099</u>

Net assets of the funds maintained by the Marshal's governmental activities decreased by \$117,010. Unrestricted net assets, the part of net assets that can be used to finance the Marshal's expenses without constraints or other legal requirements, decreased by \$115,613 from \$196,462 to \$80,629.

**Table 2  
Change in Net Assets**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Revenues:		
Program revenues:		
Marshal's fees and other charges	\$ 338,334	\$ 376,469
General Revenues:		
Bond forfeitures and investment earnings	17,148	32,623
Intergovernmental	1,057,834	875,276
Total revenues	<u>1,413,316</u>	<u>1,284,368</u>
Expenses:		
General governmental - judicial	<u>1,530,326</u>	<u>1,303,601</u>
Change in net assets	(117,010)	(19,233)
Net Assets:		
Beginning of the Year	258,099	277,332
End of Year	<u>\$ 141,089</u>	<u>\$ 258,099</u>

For the funds maintained by the Marshal, total revenues increased by \$128,948 (from total revenues for the year ended April 30, 2010, of \$1,284,368 to total revenues for the year ended April 30, 2011, of \$1,413,316). For the funds maintained by the Marshal, program revenues decreased by \$38,135 (10.1%) (from program revenues for the year ended April 30, 2010, of \$376,469 to program revenues for the year ended April 30, 2011, of \$338,334). The largest decrease in program revenues occurred in the amount of court costs and Marshal service returns received from Monroe City Court of \$41,331, which was offset to some extent by a \$3,196 increase in the other charges for services received by the Marshal. The general revenues increased by \$167,083 (18.4%) (from general revenues for the year ended April 30, 2010, of \$907,899 to general revenues for the year ended April 30, 2011, of \$1,074,982). The largest increase in general revenues resulted from an increase in the City of Monroe's funding from 2010 to 2011 in the amount of \$182,558. This increase was offset primarily by a decrease in bond forfeitures in the amount of \$15,529.

The Marshal's expenses increased by \$226,725 from 2010 to 2011. Such increase in expenses was attributable primarily to increases in payroll and payroll-related benefits of \$140,282 and prison housing costs of \$73,607.

#### **FUNDS MAINTAINED BY THE MARSHAL**

For the funds maintained by the Marshal, the governmental funds (as presented on pages 8 - 9) reported a fund balance of \$80,629, which is a decrease in the fund balance of \$115,613 from last year's fund balance of \$196,242. The significant changes in program revenues and expenditures are discussed in the paragraphs above.

#### **BUDGETARY HIGHLIGHTS**

The Marshal's budget does not include the City of Monroe's on-behalf payments because such amounts are included in the City of Monroe's budgets. Total revenues decreased by \$37,500 (9.2%) from the original budget to the final budget. Actual total revenues exceeded final budgeted total revenues by \$16,518 (4.4%). Total expenditures increased by \$45,600 (10.9%) from the original budget to the final budget. The more significant budget increases included increases in personal services and related benefits, marshal service returns, and capital outlay. Actual total expenditures were in excess of final budgeted total expenditures by \$7,445 (1.6%). The increase in actual total expenditures from the final budget is due primarily to the charges for litigation expense and the leasing of four new vehicles under a capitalized lease arrangement. Such increase in expenditures was offset partially by less than expected outlay expenditures.

#### **CAPITAL ASSETS /CAPITAL LEASES**

The Marshal's investment in capital assets for its governmental activities as of April 30, 2011, amounts to \$111,139 (net of accumulated depreciation). This investment in capital assets includes furniture, equipment, and vehicles. Major capital asset additions during the current fiscal year included the following acquisitions: (i) radio and light package for one automobile with a total cost of \$2,499; and (ii) four police sedans with a total cost of \$80,826. There was one vehicle that was disposed of during the year ended April 30, 2011; it was used as a trade-in for the acquisition of the four police sedans.

Additional information on the Marshal's capital assets can be found in Note 4 to the financial statements.

The Marshal records items under capital leases as an asset and an obligation in the accompanying statement of net assets. During the year ended April 30, 2011, the Marshal continued to lease two copiers and a postage machine under existing capital lease agreements. Also during the fiscal year, the Marshal leased the above mentioned four police sedans. The lease for the copiers will expire in September 2012, the lease for the postage machine will expire in September 2011, and the lease for the four vehicles will expire in 2014.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Marshal considered many factors when setting a fiscal year 2012 budget. Amounts available for appropriation in the governmental funds are expected to remain approximately the same as the revenues available for the year ended April 30, 2011. In addition, the Marshal does not anticipate any significant changes in the operations of the Marshal's office.

### **CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the Marshal and to show the Marshal's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Monroe City Marshal at Monroe City Hall, 400 Lea Joyner Expressway, Monroe, Louisiana 71201.

***Basic Financial Statements***

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS  
APRIL 30, 2011**

	General Fund	Adjustments - Note 1	Statement of Net Assets
<b>ASSETS</b>			
Cash	\$ 35,497	\$ -	\$ 35,497
Investment - certificate of deposit	41,119	-	41,119
Receivables	935	14,966	15,901
Due from other agency	14,966	(14,966)	-
Prepaid expenses	1,075	-	1,075
Capital assets, net of accumulated depreciation	-	111,139	111,139
	<b>\$ 93,592</b>	<b>111,139</b>	<b>204,731</b>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	\$ 2,501	-	2,501
Accrued expenses	10,462	-	10,462
Noncurrent liabilities - obligations under capital lease:			
Due within one year	-	17,259	17,259
Due in more than one year	-	33,420	33,420
	<b>12,963</b>	<b>50,679</b>	<b>63,642</b>
<b>FUND BALANCE/NET ASSETS</b>			
Fund balance:			
Unreserved, reported in:			
General Fund	80,629	(80,629)	-
Total Fund Balance	80,629	(80,629)	-
	<b>\$ 93,592</b>		
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt		60,460	60,460
Unrestricted		80,629	80,629
		<b>\$ 141,089</b>	<b>\$ 141,089</b>

The accompanying notes are an integral part of this financial statement.

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES/  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2011**

	General Fund	Adjustments - Note 1	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>			
Judiciary - Current:			
Personal services	\$ 960,623	\$ -	\$ 960,623
Personal services - related benefits	226,677	-	226,677
Uniforms	36,437	-	36,437
Insurance	21,902	-	21,902
Maintenance and supplies	9,959	-	9,959
Office	3,363	-	3,363
Postage	800	-	800
Professional fees	12,700	-	12,700
Telephone, radio, and communication services	11,005	-	11,005
Travel and seminars	4,640	-	4,640
Utilities	20,603	-	20,603
Warrant car expense	12,185	-	12,185
Marshal service returns and housing evictions	79,963	-	79,963
Depreciation	-	34,415	34,415
Litigation expense	10,462	-	10,462
Prison housing	73,607	-	73,607
Other	7,912	-	7,912
Capital Outlay	17,999	(17,999)	-
Debt Service			
Principal	15,019	(15,019)	-
Interest	3,073	-	3,073
Total Expenditures/Expenses	<u>1,528,929</u>	<u>1,397</u>	<u>1,530,326</u>
<b>PROGRAM REVENUES</b>			
Marshal's fees	303,469	-	303,469
Other charges for services	34,865	-	34,865
Total Program Revenues	<u>338,334</u>	<u>-</u>	<u>338,334</u>
Net Program Expense			<u>(1,191,992)</u>
<b>GENERAL REVENUES</b>			
Intergovernmental - City of Monroe	1,057,834	-	1,057,834
Investment earnings	1,486	-	1,486
Bond forfeitures	15,662	-	15,662
Total General Revenues	<u>1,074,982</u>	<u>-</u>	<u>1,074,982</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(115,613)	(1,397)	(117,010)

The accompanying notes are an integral part of this financial statement.

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES/  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2011**

	<u>General Fund</u>	<u>Adjustments - Note 1</u>	<u>Statement of Activities</u>
<b>NET CHANGE IN FUND BALANCES</b>	(115,613)	115,613	-
<b>CHANGE IN NET ASSETS</b>		(117,010)	(117,010)
<b>FUND BALANCE /NET ASSETS:</b>			
Beginning of the Year	<u>196,242</u>	<u>-</u>	<u>258,099</u>
End of Year	<u>\$ 80,629</u>	<u>\$ -</u>	<u>\$ 141,089</u>

The accompanying notes are an integral part of this financial statement.

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
STATEMENT OF FIDUCIARY NET ASSETS  
APRIL 30, 2011**

	<u>Agency Funds</u> <u>Total</u>
<b>ASSETS</b>	
Cash	\$ 29,687
Receivables	<u>144</u>
Total Assets	<u>\$ 29,831</u>
<b>LIABILITIES</b>	
Liabilities:	
Unsettled deposits due to others	<u>\$ 29,831</u>
Total Liabilities	<u>\$ 29,831</u>

The accompanying notes are an integral part of this financial statement.



*Notes to the Financial Statements*

MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011

**INTRODUCTION**

As provided for by the Louisiana State Legislature by Act 32 of 1960, Louisiana Revised Statutes 13:1879, the Monroe City Marshal (the "Marshal") is the executive officer of the City Court of Monroe (the "Court"). The Marshal 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, 2014. The Marshal is independently responsible for the General Fund and the Agency Funds.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Monroe City Marshal have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (the "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (the "Statement"), which was unanimously approved in June 1999 by the Governmental Accounting Standards Board.

**B. REPORTING ENTITY**

For reporting purposes, the City of Monroe, Louisiana (the "City") serves as the financial reporting entity for the City. The financial reporting entity consists of (a) the primary government (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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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  
CITY OF MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011

- 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.

The City Marshal is an independently elected official. However, the City Marshal is fiscally dependent on the City of Monroe for office space, related utility costs, insurance and substantially all salaries and related employee benefit costs. Because the City Marshal is fiscally dependent on the City, the City Marshal was determined to be a component unit of the City of Monroe, the financial reporting entity. The City Marshal does not have any component units of its own.

The accompanying financial statements present information only on the funds maintained by the City Marshal and do not present information on the City of Monroe, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### **C. FUND ACCOUNTING**

The Marshal uses funds to maintain its financial records during the year and to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Marshal functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

#### **Governmental Funds**

Governmental funds account for all or most of the Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Monroe City Marshal. The Marshal has one governmental fund, the general fund, which is described below:

MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011

**General Fund**

The General Fund is the primary operating fund of the Marshal, and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Marshal's policies.

**Fiduciary Funds**

Fiduciary funds' reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Marshal are agency funds. The Marshal maintains two agency funds: the Garnishment Fund and the Sales and Seizure Fund. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Marshal's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. 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 the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011

**Revenues**

Marshal's fees, other court costs, and bond forfeitures are recorded in the year in which they are earned.

Substantially all other revenues are recognized when received by the Marshal.

Based on the above criteria, the Marshal's fees, other court costs, and bond forfeitures are treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Government-Wide Financial Statements (GWFS)**

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Marshal as a whole. These statements include all the financial activities of the Marshal. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from the City Court of Monroe's users as a fee for services and from other fees charged by the Marshal; program revenues reduce the cost of the function to be financed from the Marshal's general revenues.

**General Revenues** - General revenues included in the column labeled Statement of Activities (Statement B) are derived from on-behalf payments from the City of Monroe, interest income, and from sources not considered program revenues. General revenues finance the remaining balance of functions not covered by Program revenues.

**Reconciliation**

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011

Statement B	
Capitalization of Capital Assets	\$ 17,999
Recording of Depreciation Expense	(34,415)
Principal Paid on Debt Service, Including Capital Leases	15,019
 Net Effect of Changes	 \$ (1,397)
Statement A	
Recording of Net Capital Assets	\$ 111,139
Recording of Capitalized Lease Obligation	(50,679)
 Net Effect of Changes	 \$ 60,460

**E. CAPITAL ASSETS**

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Marshal maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets, and the related depreciation expense is recorded in the Statement of Activities. Because surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Useful Lives
Buildings and building improvements	5 – 40 years
Computer Equipment	3 – 10 years
Equipment	5 – 15 years
Furniture and fixtures	5 – 10 years
Vehicles	5 years

**F. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported

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amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**G. RISK MANAGEMENT**

The Marshal is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, and errors and omissions. To handle such risk of loss, the Marshal maintains commercial insurance policies for automobile coverage and fidelity bond coverage.

**2. DEPOSITS AND CUSTODIAL CREDIT RISK**

Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The Marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. The Marshal also maintains certificate of deposit which is reported in investments in the Balance Sheet/Statement of Net Assets. At April 30, 2011, the Marshal's carrying amount (book balance) of deposits totaled \$106,303, which included the following:

Cash (including Agency Accounts)	\$ 65,184
Certificate of Deposit	<u>41,119</u>
Total	<u>\$106,303</u>

These deposits are stated at cost, which approximates market.

The Marshal's deposits (bank balances) totaled \$200,196 at April 30, 2011. Under state law, these deposits, or the resulting bank balances, must be collateralized by Federal deposit insurance or the pledge of securities. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Also, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Marshal that the fiscal agent bank has failed to pay deposited funds upon demand. At April 30, 2011, these deposits were collateralized in full.

Custodial credit risk is the risk that in the event of a bank failure, the Marshal's deposits may not be returned to it. The Marshal does not have a policy for custodial credit risk. As of April 30, 2011, none of the Marshal's deposits were exposed to custodial credit risk.

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**3. RECEIVABLES**

The receivables as reported in the Statement of Net Assets and the Statement of Fiduciary Net Assets at April 30, 2011, are summarized as follows:

Class of Receivable	Statement of Net Assets	Statement of Fiduciary Net Assets
Charges for services:		
City Court of Monroe	\$ 14,960	\$ -
Other	935	-
Sales of seized property	-	144
Totals	<u>\$ 15,895</u>	<u>\$ 144</u>

The Marshal utilizes the direct write-off method for recording uncollectible accounts receivable. The use of this method produces results that are not materially different from utilization of the allowance method of recording bad debts.

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended April 30, 2011, is as follows:

Governmental Activities	April 30, 2010	Additions	Retirements	April 30, 2011
Vehicles	\$ 135,354	\$ 83,325	\$ 20,478	\$ 198,201
Furniture and equipment	140,368	-	-	140,368
Total	<u>275,722</u>	<u>83,325</u>	<u>20,478</u>	<u>338,569</u>
Less accumulated depreciation:				
Vehicles	96,429	23,794	12,628	107,595
Furniture and equipment	109,214	10,621	-	119,835
Total	<u>205,643</u>	<u>34,415</u>	<u>12,628</u>	<u>227,430</u>
Capital Assets, Net	<u>\$ 70,079</u>	<u>\$ 48,910</u>	<u>\$ 7,850</u>	<u>\$ 111,139</u>

**5. ACCOUNTS PAYABLE**

Accounts payable of \$2,501 as reported in the Statement of Net Assets at April 30, 2011, consists entirely of operating trade payables.



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**6. LEASES**

**Capital Leases**

The Marshal records items under capital leases as an asset and an obligation in the accompanying Statement of Net Assets. During the year ended April 30, 2011, the Marshal had capital lease agreements for the lease of two copiers, the lease of a mailing machine, and the lease of four vehicles. The vehicles' lease agreement was entered into during the year end April 30, 2011.

The following is a schedule of the future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of April 30, 2011:

Year Ending April 30,	Amount
2012	\$ 19,740
2013	16,926
2014	15,966
2015	2,661
Net minimum lease payments	55,293
Less amount representing interest	(4,614)
Present value of net minimum lease payments	<u>\$ 50,679</u>

Assets under capital leases are reported in the balance sheet in capital assets, net of accumulated depreciation. The cost basis and the accumulated depreciation of these assets totaled \$100,499 and \$26,721, respectively, at April 30, 2011.

**7. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended April 30, 2011:

	<u>Capitalized Leases</u>
Long-term obligations at April 30, 2010	\$ 8,222
Additions	57,476
Deductions	(15,019)
Long-term obligations at April 30, 2011	<u>\$ 50,679</u>

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**8. CHANGES IN AGENCY FUND  
DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others for the year ended April 30, 2011, is as follows:

Balance at April 30, 2010	\$ 28,229
Additions	868,735
Reductions	<u>(867,133)</u>
Balance at April 30, 2011	<u>\$ 29,831</u>

**9. ON-BEHALF PAYMENTS**

The City of Monroe made on-behalf payments of \$1,057,834 for the Marshal for the year ended April 30, 2011, as follows:

Salaries	\$ 720,274
Fringe Benefits	190,178
Operating expenses	<u>147,382</u>
Total	<u>\$ 1,057,834</u>

The City of Monroe makes contributions to the Municipal Employees' Retirement System of Louisiana on behalf of the employees of the Monroe City Marshal.

**10. LITIGATION**

The Monroe City Marshal was involved in a lawsuit that resulted from an automobile accident involving an employee of the Marshal's office. The Marshal aggressively pursued his defense of this matter at trial in November, 2010, but was unsuccessful. The plaintiff was awarded the following amounts: \$4,975 for damages, \$987 for court costs, and \$4,500 in legal interest, for a total due of \$10,462. This amount is reported in accrued expenses in the Governmental Funds Balance Sheet/Statement of Net Assets.

*Required Supplemental Information*

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED APRIL 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES</b>				
Marshal's fees	\$ 355,000	\$ 317,000	\$ 303,469	\$ (13,531)
Other charges for services	26,500	36,000	34,865	(1,135)
Investment earnings	-	-	1,486	1,486
Bond forfeitures	28,000	19,000	15,662	(3,338)
<b>Total revenues</b>	<b>409,500</b>	<b>372,000</b>	<b>355,482</b>	<b>(16,518)</b>
<b>EXPENDITURES</b>				
Judiciary - Current:				
Personal services	208,000	241,000	240,350	(650)
Personal services - related benefits	30,800	37,200	36,499	(701)
Uniforms	5,000	4,500	4,430	(70)
Insurance	17,000	20,000	19,985	(15)
Maintenance and supplies	10,000	9,700	9,683	(17)
Office	6,000	3,200	3,363	163
Postage	1,200	1,250	800	(450)
Professional fees	500	-	-	-
Telephone, radio, and communication services	6,000	5,000	4,978	(22)
Marshal service returns and housing evictions	75,000	80,000	79,963	(37)
Other	15,400	8,300	7,666	(634)
Travel and seminars	18,500	5,000	4,640	(360)
Warrant car expense	10,000	15,000	12,185	(2,815)
Litigation expense	-	-	10,462	10,462
Capital outlay	11,650	29,000	17,999	(11,001)
Debt service	3,000	4,500	18,092	13,592
<b>Total expenditures</b>	<b>418,050</b>	<b>463,650</b>	<b>471,095</b>	<b>7,445</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,550)</b>	<b>(91,650)</b>	<b>(115,613)</b>	<b>(23,963)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>196,242</b>	<b>196,242</b>	<b>196,242</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 187,692</b>	<b>\$ 104,592</b>	<b>\$ 80,629</b>	<b>\$ (23,963)</b>

See accompanying Notes to Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget (GAAP Basis) and Actual

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA**

**Notes to the Schedule of Revenues, Expenditures and  
Changes in Fund Balance – Budget (GAAP)  
Basis and Actual  
For the Year Ended April 30, 2011**

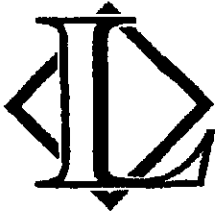
**NOTE 1 – BUDGETARY POLICIES**

A proposed budget for the general fund of the Marshal is prepared on the modified accrual basis of accounting. The budget is legally adopted by the Marshal and then amended during the year, as necessary. The budget is established and controlled at the object level of expenditures. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended. The Marshal authorizes all amendments to the budget. Amendments were made to the original budget and all amendments are reflected in budget comparison. The Marshal's budget does not include the City of Monroe's budgeted amounts for the Marshal's office.

Formal budgetary integration is employed as a management control device during the year.

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit  
of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Mr. Wince Highshaw,  
Monroe City Marshal  
Monroe, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe City Marshal, a component unit of the City of Monroe, as of and for the year ended April 30, 2011, which collectively comprise the Monroe City Marshal's basic financial statements and have issued our report thereon dated October 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Monroe City Marshal is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Monroe City Marshal's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Monroe City Marshal's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Monroe City Marshal's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or

material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Monroe City Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Monroe City Marshal, management of the Marshal's office, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Little & Associates, LLC*

Monroe, Louisiana  
October 25, 2011



**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA**

**Schedule of Findings and Responses  
As of and For the Year Ended April 30, 2011**

**SECTION I - SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  
reported  yes  none

Noncompliance material to financial statements noted?  yes  no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None Noted.

**MONROE CITY MARSHAL  
CITY OF MONROE, LOUISIANA**

**Summary Schedule of Prior Audit Findings  
As of and For the Year Ended April 30, 2011**

There were no findings or questioned costs for the year ended April 30, 2010.