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PINEVILLE CITY MARSHAL'S OFFICE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1998

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 APR 07 1999

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3-4
FINANCIAL STATEMENTS	
Combined Balance Sheet	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types.....	6
Notes To Financial Statements.....	7-10
SUPPLEMENTAL FINANCIAL INFORMATION	
Analysis of Agency Fund Disbursements.....	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12
MANAGEMENT'S CORRECTIVE ACTION PLAN	13
SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTs	14

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January 20, 1999

Independent Auditors' Report

Larry W. Jeane, City Marshal
City Court of Pineville, Louisiana

We have audited the accompanying financial statements of the Pineville City Marshal's Office, a component of the City Court of Pineville, Louisiana, as of and for the year ended December 31, 1998, as listed in the table of contents. These financial statements are the responsibility of the management of the Pineville City Marshal's Office. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental accounting standards require disclosure of certain matters regarding the year 2000 issue. Due to the unprecedented nature of the year 2000 issue, management believes that its effects and the success of remediation efforts will not be fully determinable before the year 2000. Since the effects of the year 2000 issue and the success of remediation efforts cannot be readily determined at the present time, management has elected to omit the required disclosures from the accompanying financial statements.

In our opinion, except for the omission of disclosures regarding the year 2000 issue as discussed in the previous paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Pineville City Marshal's Office, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Larry W. Jeane, City Marshal

January 20, 1999

Page 2

In accordance with Government Auditing Standards, we have also issued a report dated January 20, 1999, on our consideration of the City's internal control over financial reporting and 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 financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Pineville City Marshal's Office. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



ROZIER, HARRINGTON & McKAY
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January 20, 1999

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Larry W. Jeane, City Marshal
City Court of Pineville, Louisiana

We have audited the financial statements of the Pineville City Marshal's Office, as of and for the year ended December 31, 1998, and have issued our report thereon dated January 20, 1999. We conducted our audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether the Pineville City Marshal's Office's 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 Pineville City Marshal's Office's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

Larry W. Jeane, City Marshal

January 20, 1999

Page 2

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


ROZIER, HARRINGTON & McKAY
Certified Public Accountants

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Combined Balance Sheet

All Funds and Account Groups

December 31, 1998

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Account Groups</u>	<u>Total</u>
	<u>General Fund</u>	<u>Agency Funds</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
<u>Assets:</u>				
Cash	\$ 28,407	\$ 26,413	\$ -	\$ 54,820
Furniture, Fixtures and Equipment	-	-	24,283	24,283
Total Assets	\$ 28,407	\$ 26,413	\$ 24,283	\$ 79,103
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Bonds Posted	\$ -	\$ 26,413	\$ -	\$ 26,413
Total Liabilities	-	26,413	-	26,413
Fund Equity:				
Investment in General Fixed Assets	-	-	24,283	24,283
Fund Balance	28,407	-	-	28,407
Total Liabilities and Fund Equity	\$ 28,407	\$ 26,413	\$ -	\$ 54,820

The accompanying notes are an integral part of this statement.

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Funds and Account Groups For the Year Ended December 31, 1998

	<u>General Fund</u>
<u>Revenues</u>	
Court cost and fees	\$ 37,835
Interest	1,403
Miscellaneous	<u>2,415</u>
Total Revenues	<u>41,653</u>
 <u>Expenditures</u>	
General Government:	
Payroll Expenses	20,343
Office Supplies and Expenses	3,026
Professional Fees	5,018
Insurance	1,777
Repairs and Maintenance	2,350
Training and Travel	3,364
Miscellaneous	<u>79</u>
Total Expenditures	<u>35,957</u>
Excess (Deficiency) of Revenues Over Expenditures	5,696
Fund Balance, Beginning	<u>22,711</u>
Fund Balance, Ending	<u>\$ 28,407</u>

The accompanying notes are an integral part of this statement.

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pineville City Court has jurisdiction which encompasses the City of Pineville and the surrounding wards of Rapides Parish. The City Marshal is the executive officer of the court and the Pineville City Marshal's Office is responsible for executing the orders and mandates of the Court. Operation of the City Marshal's Office is funded primarily by court cost and fees assessed from persons participating in the judicial process.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of financial reporting entity. 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the reporting entity to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
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.

Based on the criteria presented above, the City Marshal's Office is a component of the Pineville City Court. The accompanying financial statements present information only on the fund and account groups maintained by the City Marshal's Office and do not present information of the Pineville City Court, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Fund Accounting

The accounts of the City Marshal's Office are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 1998

separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

Governmental Fund Type

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

Fiduciary Funds

Agency Funds - Account for assets that are held on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the City Marshal's Office.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All 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. Inventories of supplies are considered immaterial and are not recorded.

Use Of 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.

Fixed Assets:

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the City Marshal's Office does not capitalize infrastructures, these items are excluded from the general fixed assets account group. No depreciation has been provided on general fixed assets. General fixed assets are reported at historical cost, including any interest incurred during construction.

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 1998

Cash And Cash Equivalents:

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Compensated Absences:

Personnel policy adopted by the City Marshal's Office does not allow employees to carryover material amounts of vested leave. As a result, no provision for compensated absences is included in the accompanying financial statements.

Encumbrance Accounting:

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

Total Columns On Combined Statements:

Total columns on the combined statements are captioned "Memorandum" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH AND CASH EQUIVALENTS

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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. 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 December 31, 1998, the City Marshal's Office has \$82,049 in deposits (collected bank balance). These deposits are fully secured from risk by federal deposit insurance.

NOTE 3 - PROPERTY AND EQUIPMENT

Changes in general fixed assets are presented as follows:

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 1998

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Automobiles	\$ 14,178	\$ ----	\$ ----	\$ 14,178
Furniture, Fixtures and Equipment	9,050	1,055	----	10,105
Total General Fixed Assets	\$ 23,228	\$ 1,055	\$ ----	\$ 24,283

NOTE 4- RISK MANAGEMENT

The City Marshal's Office is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City Marshal's insures against these risks by participating a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risk have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 5 -- ECONOMIC DEPENDENCE

The City Marshal's Office is dependent on the City of Pineville for financial support. Changes in the City's appropriation for the Marshal's Office could have a material effect on its financial condition.

CITY OF PINEVILLE

Agency Funds

Analysis of Agency Fund Disbursements For the Year Ended December 31, 1998

Marshal's Fund Disbursements:

City Judge's Office	\$	41,636
City Marshal's General Fund, Cost		35,271
City Marshal's General Fund, Interest		782
City of Pineville		80,394
Crime Lab		13,013
Indigent Defender Board		29,065
Louisiana Commission on Law Enforcement		2,498
Refunds		7,355
Police Witness		4,785
C. M. I. S.		1,912
Louisiana Traumatic Injury Fund		2,635
DARE		3,629
Law Enforcement Training		1,874
Rapides Children's Advocacy Center		4,185
		<hr/>
Total Disbursement - Marshal's Fund	\$	<u>229,034</u>

Garnishment Fund Disbursements:

Disbursement to Creditors	\$	97,989
Commissions Paid To Marshal		6,331
Fees Paid To Civil Fee Fund		859
Interest Paid to Marshal's General Fund		57
Refunds		2,127
		<hr/>
Total Disbursements - Garnishment Fund	\$	<u>107,363</u>

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Summary of Findings and Questioned Cost December 31, 1998

We were engaged to audit the financial statements of the Pineville City Marshal's Office as of and for the year ended December 31, 1998, and have issued our report thereon dated January 20, 1999. We conducted our audit in accordance with 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. Our report expresses a qualified of opinion on the financial statements for the year ending December 31, 1998.

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

- a. The report on internal control and compliance material to the financial statements reported the following items:
 - Internal Control – There were no reportable conditions
 - Compliance – No noncompliance that is material to the financial statements.

- b. Federal Awards:
 - N/A, Federal Awards received during the year ended December 31, 1998 were not sufficient in amount to require a single audit.

- c. Identification of Major Programs:
 - N/A

SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- None

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Management's Corrective Action Plan

December 31, 1998

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
N/A – No findings of this nature were reported.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
N/A – No findings of this nature were reported.	Response – N/A
SECTION III MANAGEMENT LETTER	
N/A – No findings of this nature were reported.	Response – N/A

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Summary of Prior Year Findings and Questioned Cost December 31, 1998

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III MANAGEMENT LETTER	
No findings of this nature were reported as a result of the previous audit.	Response – N/A