

**CITY MARSHAL  
OF ABBEVILLE, LOUISIANA**

**Compiled Financial Statements**

**Year Ended December 31, 2004**

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.

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We have compiled the accompanying financial statements of the City Marshal of Abbeville, Louisiana as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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

As described in Note 6, the City Marshal has implemented a new financial reporting model, as required by the Provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, during the current fiscal year.

Management’s discussion and analysis, supplementary information required by the Governmental Accounting Standards Board, is not a required part of the basic financial statements. The City Marshal has not presented this information as part of the financial report for the year ended December 31, 2004.

*Darnall, Sikes, Gardes & Frederick*

A Corporation of Certified Public Accountants

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CITY MARSHAL OF ABBEVILLE, LOUISIANA

Statement of Net Assets  
December 31, 2004

ASSETS

Current assets:	
Cash	<u>\$ 2,661</u>
Capital assets:	
Vehicle	12,122
Furniture and fixtures	<u>4,504</u>
	16,626
Less: accumulated depreciation	<u>(8,544)</u>
Total capital assets, net of accumulated depreciation	<u>8,082</u>
Total assets	<u>\$ 10,743</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 297
Note payable	<u>4,224</u>
Total liabilities	<u>4,521</u>

NET ASSETS

Invested in capital assets, net of related debt	3,858
Unrestricted	<u>2,364</u>
Total net assets	<u>6,222</u>
Total liabilities and net assets	<u>\$ 10,743</u>

See accompanying notes and accountant's report

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Statement of Activities  
Year Ended December 31, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expense) Revenue</u> <u>And Changes in</u> <u>Net Assets</u> <u>Governmental</u> <u>Activities</u>
Governmental activities:			
General government	\$ 20,373	\$ 20,371	\$ (2)
		Change in net assets	\$ (2)
		Net assets - beginning of year	<u>6,224</u>
		Net assets - end of year	<u>\$ 6,222</u>

See accompanying notes and accountant's report.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Balance Sheet  
Governmental Fund  
December 31, 2004

	General Fund
<b>ASSETS</b>	
Cash	\$ 2,661
Total assets	<u>\$ 2,661</u>
 <b>LIABILITIES AND FUND EQUITY</b>	
Liabilities:	
Accounts payable	\$ 297
Total liabilities	<u>297</u>
Fund Equity:	
Fund Balance - Unreserved, undesignated	<u>2,364</u> <u>2,364</u>
Total liabilities and fund equity	<u>\$ 2,661</u>
 Total fund balance for governmental funds	 \$ 2,364
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds	8,082
Note payable balance at December 31, 2004	<u>(4,224)</u>
Net assets of governmental activities	<u>\$ 6,222</u>

See accompanying notes and accountant's report.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Governmental Fund  
 Year Ended December 31, 2004

	<u>General Fund</u>
Revenue:	
Intergovernmental -	
Marshal's fees	\$ 19,931
Holding facility fees	440
Total revenues	<u>20,371</u>
Expenditures:	
Current -	
Auto expenses	4,109
Miscellaneous	4,827
Supplies, repairs and maintenance	3,202
Telephone and beepers	1,796
Debt Service -	
Principal	4,823
Interest	371
Other -	
Appropriation to City of Abbeville	<u>3,644</u>
Total expenditures	<u>22,772</u>
Excess of expenditures over revenues	(2,401)
Fund balance, beginning of year	<u>4,765</u>
Fund balance, end of year	<u>\$ 2,364</u>
Net change in fund balance - governmental fund	\$ (2,401)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense for the year ended December 31, 2004	(2,424)
Governmental funds report payment of debt principal as expenditures. However, this expenditure does not appear in the statement of activities.	<u>4,823</u>
Change in net assets of governmental activities	<u>\$ (2)</u>

See accompanying notes and accountant's report.

## CITY MARSHAL OF ABBEVILLE, LOUISIANA

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Marshal of Abbeville, Louisiana was created under Louisiana Revised Statute 13:1879 as an officer of the court elected for a term of six years. Louisiana Revised Statute 13:1881 provides that the Marshal's duties are to execute the orders and mandates of the court, and in the execution thereof, and in making arrests and preserving the peace, he has the same powers and authority of a sheriff.

The accounting and reporting policies of the City Marshal of Abbeville conform to generally accepted accounting principles as applied to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to guides set forth in the *Louisiana Government Audit Guide*, and to the industry guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

##### Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent upon the City Marshal. The City Marshal's office is a component unit of the City of Abbeville, Louisiana.

##### Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Items not properly included among program revenues are reported as *general revenues*.

A separate financial statement is provided for the governmental fund.

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.



## CITY MARSHAL OF ABBEVILLE, LOUISIANA

### Notes to Financial Statements

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The City Marshal of Abbeville, Louisiana has the following fund type:

#### Governmental Fund –

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the City Marshal:

#### General Fund

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

#### Governmental Fund - General Fund

The General Fund is the general operating fund of the City Marshal. It is used to account for all financial resources.

#### Budgets and Budgetary Accounting

For the year ended December 31, 2004, the City Marshal did not prepare and adopt a budget as required by R.S. 39:1305, and, therefore, no budget figures, for comparisons of budget figures to actual are shown in this report.

#### Capital Assets

All capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives

Vehicles	5 years
Furniture and fixtures	5-7 years

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City Marshal.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH

Under state law, the City Marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2004, the City Marshal had cash (book balances) totaling \$2,661.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) 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 bank. 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. Deposit balances (bank balances) at December 31, 2004, total \$2,863 and are covered by FDIC insurance.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 3 CAPITAL ASSETS

A summary of changes in general capital assets for the year ended December 31, 2004 follows:

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Capital Asset Cost				
Furniture and equipment	\$ 4,504	\$ -	\$ -	\$ 4,504
Vehicles	<u>12,122</u>	<u>-</u>	<u>-</u>	<u>12,122</u>
	<u>\$ 16,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,626</u>
Accumulated Depreciation				
Furniture and equipment	\$ 4,504	\$ -	\$ -	\$ 4,504
Vehicles	<u>1,616</u>	<u>2,424</u>	<u>-</u>	<u>4,040</u>
	<u>\$ 6,120</u>	<u>\$ 2,424</u>	<u>\$ -</u>	<u>\$ 8,544</u>
Net Capital Assets	<u>\$ 10,506</u>	<u>\$ (2,424)</u>	<u>\$ -</u>	<u>\$ 8,082</u>

NOTE 4 INTERGOVERNMENTAL RELATIONSHIPS

The nature of the City Marshal's duties and functions has created an interdependent relationship between the City Marshal's office and the City of Abbeville and the City Court of Abbeville.

Practically all operating revenues for the City Marshal are derived from court costs assessed and collected by City Court of Abbeville. These funds (which are reported in the financial statements as Marshal's fees and holding facility fees) are distributed to the City Marshal on a monthly basis.

The City of Abbeville is responsible for paying the salaries and related benefits of the City Marshal and holding facility personnel. The City of Abbeville also provides office space and vehicles for the City Marshal's office, however, the cost of operating and maintaining these vehicles is shared by the City Marshal.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 5 NOTE PAYABLE

On April 17, 2003 the City Marshal borrowed \$12,122 from a local bank to finance the purchase of a vehicle. The note has a stated interest rate of 5.40% per annum and is payable on demand, or if no demand is made, the loan shall be repaid in 30 monthly installments of \$433. The note balance as of December 31, 2004 was \$4,224.

The annual requirements to amortize the remaining note balance including interest of \$106 is \$4,330. The entire balance is scheduled to be paid during the next year.

NOTE 6 CHANGES IN ACCOUNTING PRINCIPLES

City Court of Abbeville, Louisiana adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; Statement No. 38, Certain Financial Statement Note Disclosures; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of January 1, 2004. This results in a change in the format and content of the basic financial statements.