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WARD ONE CITY MARSHAL
Leesville, Louisiana

ANNUAL FINANCIAL REPORT
As of and for the Year
Ended June 30, 2002

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 1/22/03

WARD ONE CITY MARSHAL
LEESVILLE, LOUISIANA
GENERAL-PURPOSE FINANCIAL STATEMENTS

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WARD ONE CITY MARSHAL
Leesville, Louisiana
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June 30, 2002

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UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL
STATEMENTS-GOVERNMENTAL ENTITY

INDEPENDENT AUDITOR'S REPORT

Robert Pynes, City Marshal
Ward One City Marshal of
Leesville, Louisiana:

I have audited the accompanying general-purpose financial statements of the Ward One City Marshal of Leesville, Louisiana (the Marshal's Office) as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Marshal's Office's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Marshal's Office as of and for the year ended June 30, 2002, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 24, 2002 on my consideration of the Marshal's Office's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the Marshal's Office taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Marshal's Office. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Elliott & Assoc. "APAC"
Leesville, Louisiana
December 24, 2002

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

Robert Pynes, City Marshal
Ward One City Marshal of
Leesville, Louisiana:

I have audited the financial statements of the Marshal's Office as of and for the year ended June 30, 2002, and have issued my report thereon dated December 24, 2002. I conducted my 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 Marshal's Office's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Marshal's Office's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provided assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal

control 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, 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.

Elliott & Assoc. "APAC"

Leesville, Louisiana
December 24, 2002

Ward One City Marshal of Leesville, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2002

I have audited the financial statements of Marshal's Office as of and for the year ended June 30, 2002, and have issued my report thereon dated December 24, 2002. I conducted my 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. My audit of the financial statements as of June 30, 2002 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance
Material to the Financial Statements

Internal Control

Material Weaknesses () Yes (X) No
Reportable Conditions () Yes (X) No

Compliance

Compliance Material to Financial
Statements () Yes (X) No

b. Federal Awards

Internal Control

Material Weaknesses () Yes () No (X) N/A
Reportable Conditions () Yes () No (X) N/A

Type of Opinion On Compliance For Major Programs

Unqualified () Qualified ()
Disclaimer () Adverse ()
N/A (X)

Are their findings required to be reported in accordance with Circular
A-133, Section .510(a)?

() Yes () No (X) N/A

c. Identification of Major Programs

CFDA Number(s)	Name of Federal Program
None	None

Dollar threshold used to distinguish between Type A and Type B Programs: \$ N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?
 Yes No N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Combined Balance Sheet - All Fund Types and Account Group
June 30, 2002

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>
	<u>Fund</u>	<u>General Agency</u>
ASSETS		
Cash and cash equivalents (Notes 3 and 7)	\$ 21,563	\$ 11,876
Accounts receivable	2,120	
Fixed assets (Note 4)	<u>---</u>	<u>---</u>
Total assets	<u>\$ 23,683</u>	<u>\$ 11,876</u>
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts payable	\$ 270	\$ ---
Payroll taxes payable	559	---
Due to other governments	---	---
Bonds posted (Notes 6 and 7)	<u>---</u>	<u>11,876</u>
Total liabilities	<u>829</u>	<u>11,876</u>
Fund Equity		
Investment in general fixed assets (Note 4)	---	---
Fund balance		
Unreserved - undesignated	<u>22,854</u>	<u>---</u>
Total Fund Equity	<u>22,854</u>	<u>---</u>
Total liabilities and fund equity	<u>\$ 23,683</u>	<u>\$ 11,876</u>

The accompanying notes are an integral part of this statement.

<u>Account Group</u>	<u>Total (Memorandum Only) 2002</u>
General Fixed Assets	
\$ ---	\$ 33,439
	2,120
<u>46,934</u>	<u>46,934</u>
<u>\$ 46,934</u>	<u>\$ 82,493</u>
\$ ---	\$ 270
---	559
---	---
---	11,876
---	<u>12,705</u>
46,934	46,934
---	22,854
<u>46,934</u>	<u>69,788</u>
<u>\$ 46,934</u>	<u>\$ 82,493</u>

WARD ONE CITY MARSHAL
Leesville, Louisiana
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Fund Type
For the Year Ended June 30, 2002

Revenues	
Court costs from Bond Fund	\$ 49,446
Intergovernmental	<u>22,800</u>
Total revenues	<u>72,246</u>
Expenditures	
Current:	
General Government:	
Salaries	40,903
Payroll taxes	3,439
Auto expense	6,561
Telephone	2,794
Office supplies and expense	2,987
Printing and copy services	960
Accounting	3,350
Insurance	5,195
Postage	497
Uniforms	473
Computer	394
Dues and Subscriptions	250
Capital outlay (Note 4)	<u>---</u>
Total expenditures	<u>67,803</u>
Excess (deficiency) of revenues over (under) expenditures	4,443
Fund balance, beginning of year	<u>18,411</u>
Fund balance, end of year	<u>\$ 22,854</u>

The accompanying notes are an integral part of this statement.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Governmental Fund Type
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Court costs from Bond Fund	\$ 48,500	\$ 49,446	\$ 946
Intergovernmental	<u>22,000</u>	<u>22,800</u>	<u>800</u>
Total revenues	<u>70,500</u>	<u>72,246</u>	<u>1,746</u>
Expenditures			
Current:			
General Government:			
Salaries	40,500	40,903	(403)
Payroll taxes	3,200	3,439	(239)
Auto expense	6,250	6,561	(311)
Telephone	2,700	2,794	(94)
Office supplies and expense	2,900	2,987	(87)
Printing and copy services	1,000	960	40
Accounting	3,600	3,350	250
Insurance	4,900	5,196	(296)
Postage	600	497	103
Uniforms	500	473	27
Computer	500	393	107
Dues and subscriptions	250	250	---
Capital outlay (Note 4)	<u>---</u>	<u>---</u>	<u>---</u>
Total expenditures	<u>66,900</u>	<u>67,803</u>	<u>(903)</u>
Excess (deficiency) of revenues over (under) expenditures	3,600	4,443	843
Fund balance, beginning of year	<u>18,411</u>	<u>18,411</u>	<u>---</u>
Fund balance, end of year	<u>\$ 22,011</u>	<u>\$ 22,854</u>	<u>\$ 843</u>

The accompanying notes are an integral part of this statement.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the Ward One City Marshal of Leesville, Louisiana (the Marshal's office) 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.

The following is a summary of certain significant accounting policies and practices of the Marshal's Office.

A. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the Marshal includes all funds, account groups, activities, et cetera, that are controlled by the Marshal as an independently elected parish official. As an independently elected parish official, the Marshal is solely responsible for the operations of his office, which include hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Accordingly, the Marshal is a separate governmental reporting entity. Certain units of local government over which the Marshal exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and municipalities within the parish are excluded from the accompanying general purpose financial statements. These units of government are considered separate reporting entities and issue general purpose financial statements separate from that of the Marshal.

B. Fund Accounting

The Marshal's Office uses funds and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregation transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. In this financial statement, funds are classified into two categories: governmental and fiduciary.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

B. Fund Accounting (Continued)

Each category, in turn, is divided into separate "fund types". The fund classifications and a description of each existing fund type follows:

Governmental funds are used to account for all or most a government's general activities, including the collection and distribution of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. The general fund is the only governmental fund necessary for the Marshal's Office.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The only fiduciary fund of the Marshal's Office is an agency fund used to record court costs, fines and bonds collected and subsequently expended, as ordered by the City Court. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. An account group is concerned only with the measurement of financial position and is not involved with measurement of results of operations. The only account group presently used by the Marshal's office is that for general fixed assets.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C. Basis of Accounting

All governmental funds and agency 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. Penalties, fines, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Bonds posted are recorded as a liability in the Agency Fund until disposition is made by order of the City Court. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Expenditures are generally recognized under the modified accrued basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

D. Budgets

Formal budget integration within the accounting records is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and any subsequent amendments. Appropriations lapse at year-end.

E. Due To/From Other Funds

Amounts in each fund listed as due to/from are offset by corresponding entries in another fund. Funds shown as such are considered available for expenditures unless specifically restricted within the statements.

F. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account group, and they are reported as expenditures in the general fund when purchased. No depreciation has been provided on general fixed assets. Fixed assets are recorded at historical cost.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

G. Compensated Absences

An employee may earn 10 days vacation per year. Vacation accrues on January 1 of each year. There was no accumulated unpaid vacation and sick leave at June 30, 2002.

H. Cash Equivalents

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

I. Total Columns on Statements

Total columns on the statements are captioned Memorandum 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 consolidation.

NOTE 2 - MARSHAL'S OFFICE OPERATION

Louisiana Revised Statute 13:1899 provides that the City Judge may assess a sum not to exceed \$20 on all criminal cases in operation of the Marshal's Office. On traffic cases that are not contested, the City Court (Judge's Office) collects the Marshal's cost portion and remits it to the Marshal's Office for deposit in the General Fund. The Marshal's Office collects the court costs and fines on all other cases, which are deposited in the Marshal's Agency Bond Fund. Amounts are transferred out of the Bond Fund to the General Fund, the City Court (Judge's Office) and other applicable agencies.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 2 - MARSHAL'S OFFICE OPERATION (Continued)

The amounts received from the processing of criminal and traffic cases are used to pay the expenses of operating the Marshal's Office, including salaries except for the Marshal's salary. The City Marshal's salary is paid by the City of Leesville and the Police Jury of Vernon Parish.

The City of Leesville provides office space to the Marshal's Office without charge.

NOTE 3 - CASH AND CASH EQUIVALENTS

Under the state law, the Marshal's Office 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 Marshal's Office may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2002 the Marshal's Office has cash and cash equivalents (investments with a maturity date of 90 days or less, totaling \$33,439 as follows:

Demand deposits	\$ 33,439
Certificates of deposits	<u> ---</u>
	<u>\$ 33,439</u>

These deposits are stated at costs, 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. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. Cash and cash equivalents (bank balances) at June 30, 2002, are secured as follows:

Bank Balances	<u>\$62,738</u>
Federal deposit insurance	<u>\$62,738</u>

WARD ONE CITY MARSHAL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 4 - GENERAL FIXED ASSETS

A summary of general fixed assets is shown below.

	Balance June 30, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2002</u>
Office Equip.	\$ 15,267	\$ ---	\$ ---	\$15,267
Autos	28,797	---	---	28,797
Radio Equip.	<u>2,870</u>	<u>---</u>	<u>---</u>	<u>2,870</u>
Total	<u>\$ 46,934</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$46,934</u>

NOTE 5 - RETIREMENT COMMITMENTS

All employees of the Marshal's Office are members of the Social Security system. The Marshal's Office has no liabilities other than amounts accrued in the financial statements for contributions into the system.

NOTE 6 - BONDS POSTED

Cash bonds posted by persons charged to appear before the Leesville City Court are deposited into the "Bond Fund" (agency). These cash bonds remain in this account until ordered refunded or forfeited by the Court.

NOTE 7 - CHANGES IN AGENCY FUND ASSETS AND LIABILITIES

	Balance June 30, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2002</u>
BOND FUND				
Assets				
Cash	<u>\$ 12,990</u>	<u>\$ 535,605</u>	<u>\$ 536,719</u>	<u>\$11,876</u>
Liabilities				
Due to other governments	\$ ---	\$ ---	\$ ---	\$ ---
Bonds posted	<u>12,990</u>	<u>74,516</u>	<u>75,630</u>	<u>11,876</u>
Total Liabilities	<u>\$ 12,990</u>	<u>\$ 535,605</u>	<u>\$ 536,719</u>	<u>\$11,876</u>

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2002

NOTE 8 - RISK MANAGEMENT

The Marshal's Office is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Marshal's Office carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF <u>COVERAGE</u>
Workmen's compensation	\$ 300,000
Auto liability	300,000
Commercial general liability	None
Marshal's Office-owned buildings and equipment	None

The Marshal's Office covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Marshal's Office was not involved in any litigation nor did it have asserted claims lodged against it.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Supplemental Information Schedules
As of and for the Year Ended June 30, 2002

FIDUCIARY FUNDS - AGENCY FUNDS

BOND FUND

The Bond Fund measures bonds as a liability when they are received and the liability is adjusted accordingly when disposition is made by order of the City Court.

WARD ONE CITY MARSHAL
Leesville, Louisiana
Analysis of Disbursements from Bond Fund (Agency)
For the Year Ended June 30, 2002

Judge's Office, City Court of Leesville	\$ 49,446
General Fund-City Marshal City of Leesville	75,630 101,935
Vernon Parish Police Jury	6,900
Indigent Defender Board	43,733
Louisiana Commission on Law Enforcement	4,654
Restitution	192,792
Crime Victims Reparation	15,487
Refunds	1,908
Supreme Court	4,654
Crime Lab	17,389
LRS/HSCI	4,615
DARE	---
Juvenile Detention	<u>17,576</u>
	 <u>\$536,719</u>

See independent auditor's report.

WARD ONE CITY MARSHAL
SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2002

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance material in the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

WARD ONE CITY MARSHAL
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2002

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENT**

N/A

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

N/A

SECTION III MANAGEMENT LETTER

N/A

See independent auditor's report.