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PINEVILLE CITY MARSHAL'S OFFICE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

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 6.2.04

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May 3, 2004

Independent Accountants' Report

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

We have compiled the accompanying balance sheet of the Pineville City Marshal's Office as of December 31, 2003, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended and the accompanying Analysis of Agency Fund Disbursements, which is presented only for supplementary analysis purposes, 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 and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a reported dated May 3, 2004, on the results of our agreed-upon procedures.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

-Members-

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

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Combined Balance Sheet

All Funds and Account Groups

December 31, 2003

	<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>
Assets:				
Cash	\$ 22,683	\$ -	\$ -	\$ 22,683
Furniture, Fixtures and Equipment	-	-	15,714	15,714
Total Assets	\$ 22,683	\$ -	\$ 15,714	\$ 38,397
Liabilities and Fund Equity				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	-
Bonds Posted	-	-	-	-
Garnishments Collected	-	-	-	-
Total Liabilities	-	-	-	-
Fund Equity:				
Investment in General Fixed Assets	-	-	15,714	15,714
Fund Balance	22,683	-	-	22,683
Total Fund Equity	22,683	-	15,714	38,397
Total Liabilities and Fund Equity	\$ 22,683	\$ -	\$ 15,714	\$ 38,397

See Accountants' Compilation Report.

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 Governmental Fund Types

For the Year Ended December 31, 2003

	<u>General Fund</u>
<u>Revenues</u>	
Court cost and fees	\$ 21,022
Interest	209
Miscellaneous	<u>860</u>
Total Revenues	<u>22,091</u>
<u>Expenditures</u>	
General Government:	
Payroll Expenses	1,500
Office Supplies and Expenses	3,144
Professional Fees	7,580
Training and Travel	2,897
Miscellaneous	<u>672</u>
Total Expenditures	<u>15,793</u>
 Excess (Deficiency) of Revenues Over Expenditures	 6,298
 Fund Balance, Beginning	 <u>16,385</u>
 Fund Balance, Ending	 <u>\$ 22,683</u>

See Accountants' Compilation Report.

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 - Budget (GAAP Basis) and Actual

For the Year Ended December 31, 2003

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Court cost and fees	\$ 16,000	\$ 21,022	\$ 5,022
Interest	100	209	109
Miscellaneous	-	860	860
Total Revenues	16,100	22,091	5,991
Expenditures			
General Government:			
Payroll Expenses	10,000	1,500	8,500
Office Supplies and Expenses	5,000	3,144	1,856
Professional Fees	7,000	7,580	(580)
Insurance	2,500	-	2,500
Repairs and Maintenance	2,000	-	2,000
Training and Travel	3,000	2,897	103
Miscellaneous	1,000	672	328
Total Expenditures	30,500	15,793	14,707
Excess (Deficiency) of Revenues Over Expenditures	(14,400)	6,298	20,698
Fund Balance, Beginning	16,385	16,385	-
Fund Balance, Ending	\$ 1,985	\$ 22,683	\$ 20,698

See Accountants' Compilation Report.

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, 2003

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 separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 2003

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. Available is defined as collected within 60 days of year end. 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.

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.

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 2003

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, 2003, the City Marshal's Office has \$28,112 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Furniture, Fixtures and Equipment</u>	\$ 15,714	\$ ---	\$ ---	\$ 15,714
<u>Total General Fixed Assets</u>	\$ 15,714	\$ ---	\$ ---	\$ 15,714

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

Pineville City Marshal's Office

A Component of the City Court of Pineville, Louisiana

Notes To Financial Statements

December 31, 2003

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.

NOTE 6 – CONTINGENCY

The Marshal's Office has been named as a defendant in a lawsuit alleging personal injury. The principal defendant is the City of Pineville and the City's insurance company is responsible for providing a defense. Exposure to loss cannot be estimated at the present time; however, it is anticipated that the City's insurance coverage will offset an judgements that may be rendered.

Pineville City Marshal's Office

Agency Funds

Analysis of Agency Fund Disbursements

For the Year Ended December 31, 2003

Garnishment Fund Disbursements:

Commissions Paid To Marshal	\$	7,280
Disbursement to Creditors		106,345
Miscellaneous		26
Refunds		<u>3,533</u>
 Total Disbursements - Garnishment Fund	\$	<u>117,184</u>

See Accountants' Compilation Report

ROZIER, HARRINGTON & MCKAY

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May 3, 2004

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Pineville City Marshal's Office and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Pineville City Marshal's compliance with certain laws and regulations during the year ended December 31, 2003, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW:

1. Select all expenditures made during the year for material and supplies exceeding \$7,500, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

During the year, there were no purchases meeting the scope of the public bid law.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the City Marshal as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of Marshal and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The City of Pineville provided payroll records for the Marshal's staff provided us with all payroll records.

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**The Honorable Larry Jeane
Pineville City Marshal
May 3, 2004**

4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the reports provided by management in agreed-upon procedure (2).

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the budget.

6. Trace the budget adoption and amendments to the minute book.

Not Applicable:

The Pineville City Marshal is an independently elected official; therefore, no meetings or minutes are necessary to adopt the budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Unfavorable variances did not exceed five percent (5%).

ACCOUNTING AND REPORTING

8. Randomly select six disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated that each check was signed by the proper official. No further approval was required.

*The Honorable Larry Jeane
Pineville City Marshal
May 3, 2004*

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not Applicable:

The Pineville City Marshal is an independently elected official; therefore, no meetings are required.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected the deposits appearing on the general ledger for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.


ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

The Marshal's payroll activity is limited to reimbursing the City of Pineville for a portion of the compensation that the City has provided for the Marshal's staff. Accordingly, the Marshal's payroll records did not include any bonuses, advances or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Pineville City Marshal and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. 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

Management's Corrective Action Plan

December 31, 2003

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, 2003

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

APPENDIX

Louisiana Attestation Questionnaire

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

May 3, 2004 (Date Transmitted)

Rozier Harrington & McKay
Post Office Box 12178
Alexandria, LA 71315

(Auditors)

In connection with your compilation of our financial statements as of **December 31, 2003** and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of _____.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes No

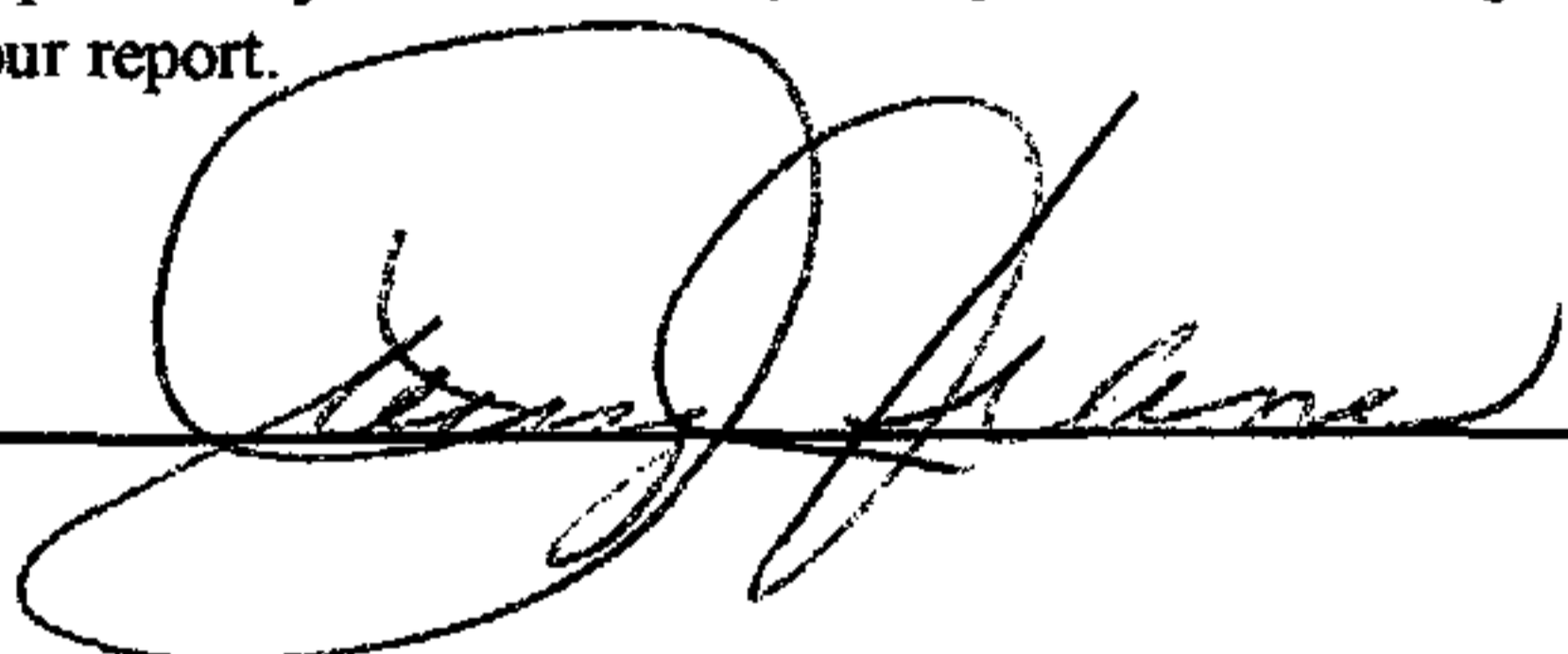
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 City Marshal 4/26/04 Date