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WARD ONE CITY MARSHALL
Leesville, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2004

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Release Date 1-19-05

Ward One City Marshall
Leesville, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2004

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W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Ward One City Marshall
Leesville, Louisiana:

I have audited the accompanying general-purpose financial statements of the Ward One City Marshall as of and for the year ended June 30, 2004, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Ward One City Marshall'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 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. 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 Ward One City Marshall, as of June 30, 2004, 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 my report dated December 23, 2004, on my consideration of the Ward One City Marshall's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As described in Note 1, the Council 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*, as of June 30, 2004.

The Ward One City Marshall has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Ward One City Marshall taken as a whole. The accompanying combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. 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.

This report is intended solely for the information of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:516, this report is distributed by the Legislative Auditor as a public document.

Elliott + Assoc. "APAC"

Leesville, Louisiana
December 23, 2004

BASIC FINANCIAL STATEMENTS

WARD ONE CITY MARSHALL
Leesville, Louisiana
Governmental Funds Balance Sheet/Statement of Net Assets
June 30, 2004

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents(Note3)	\$ 16,698	\$ 14,560	\$ 31,258
Receivables(Note 4)	3,200	—	3,200
Capital Assets, net of Accumulated Depreciation (Note 5)	<u>3,875</u>	<u>—</u>	<u>3,875</u>
Total Assets	<u>\$ 23,773</u>	<u>\$ 14,560</u>	<u>\$ 38,333</u>
LIABILITIES			
Liabilities:			
Accounts Payable	\$ 543	\$ —	\$ 543
Payroll Taxes Payable	991	—	991
Bonds Held	<u>—</u>	<u>14,560</u>	<u>14,560</u>
Total Liabilities	<u>\$ 1,534</u>	<u>\$ 14,560</u>	<u>\$ 16,094</u>
NET ASSETS			
Invested in Capital Assets	\$ 3,875	\$ —	\$ 3,875
Unrestricted	<u>18,364</u>	<u>—</u>	<u>18,364</u>
Total Net Assets	<u>\$ 22,239</u>	<u>\$ —</u>	<u>\$ 22,239</u>

The Accompanying notes are an integral part of this statement.

Reconciliation of Total Governmental
Fund Balances to Net Assets
For the Year Ended June 30, 2004

Total Governmental Fund Balances \$ 18,364

Amount 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. 3,875

Long-term liabilities are not due and
Payable in the current period and therefore
Are not reported in the funds. —

Net Assets of Governmental Activities \$ 22,239

WARD ONE CITY MARSHALL
Leesville, Louisiana
Statement of Activities
For the Year Ended June 30, 2004

	<u>Expenses</u>	<u>Program Revenue Charges for Services</u>	<u>Net (Expenses) Revenues and Change in Net Assets Governmental Activities</u>
Governmental Activities:			
General Government	\$ 78,117	\$ 34,752	\$ (43,365)
Total Governmental Activities	<u>\$ 78,117</u>	<u>\$ 34,752</u>	<u>\$ (43,365)</u>
General Revenues:			
Intergovernmental reimbursements			49,508
Investment earnings			<u>—</u>
Total general revenues			<u>49,508</u>
Change in net assets			6,143
Net assets - July 1, 2003			<u>16,096</u>
Net assets - June 30, 2004			<u>\$ 22,239</u>

The Accompanying notes are an integral part of this statement.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Statement of Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	<u>General Fund</u>
Revenues	
Court costs from Bond Fund	\$ 49,508
Intergovernmental	34,752
Total Revenues	\$ 84,260
Expenditures:	
Current:	
General Government:	
Salaries	42,840
Payroll taxes	3,256
Auto expense	8,611
Telephone	3,256
Office supplies and expense	1,558
Printing and copy services	1,154
Accounting	3,400
Insurance	7,252
Miscellaneous	426
Postage	442
Internet costs	355
Dues and Subscriptions	350
Capital outlay (Note 4)	630
Total Expenditures	73,530
Excess (deficiency) of revenues	
Over (under) expenditures	10,730
Fund Balance, Beginning of Year	16,096
Fund Balance, End of Year	\$ 26,826

The Accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2004

Total net changes in fund balances at June 30, 2004	\$ 10,730
Per statement of revenues, expenditures, and Changes in fund balance	

The change in net assets reported for governmental
Activities in the statement of activities is different
Because:

Governmental funds report capital outlays as
expenditures. However, in the statement of activities,
the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the
Statement of revenues, expenditures, and changes in
Fund balance

Depreciation expense for the year ended June 30, 2004	<u>(4,587)</u>
---	----------------

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues
in the funds

Total changes in net assets at June 30, 2004 per statement of activities	<u>\$ 6,143</u>
---	-----------------

The Accompanying notes are an integral part of this statement.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Statement of Fiduciary Net Assets
June 30, 2004

	<u>Bond Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 14,560
Total Assets	<u>\$ 14,560</u>
LIABILITIES	
Liabilities:	
Held for others pending court action	\$ 14,560
Total Liabilities	<u>\$ 14,560</u>
NET ASSETS	<u><u>\$ —</u></u>

The accompanying notes are an integral part of this statement.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2004

	<u>Deposit Fund</u>
ADDITIONS	
Deposits	\$ 544,761
Fines received	—
Total Deductions	\$ 544,761
 DEDUCTIONS	
Payments - other govts.	\$ 534,310
Bonds Posted	3,436
Total Deductions	\$ 537,746
 CHANGE IN NET ASSETS	 7,015
Net Assets - Beginning	7,545
Net Assets - Ending	14,560

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the Ward One City Marshall of Leesville, Louisiana (the Marshall'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 Marshall's Office.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Marshall's Office have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (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 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. 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.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C. FUND ACCOUNTING

The Marshall's Office uses funds and accounts 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.

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 or the general government not accounted for in some other fund. The general fund is the only governmental fund necessary for the Marshall'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 Marshall'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.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, 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 court operations.

The amounts reflected in the General Fund and Other Funds, 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 court 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 certain compensated absences 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:

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.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). (Also, include when recorded).

Deferred Revenues

Deferred revenues arise when resources are received by the court before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the court has legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from court users as a fee for services; program revenues reduce the cost of the function to be financed from the marhall's general revenues.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

E. 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.

F. 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.

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, 2004.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

H. Cash Equivalents

Cash included 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 Marshall may deposit funds in 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. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or described other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Marshall maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since 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 useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 - Years
Vehicles	5 - Years

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 2 - MARSHALL'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 Marshall's Offices. On traffic cases that are not contested, the City Court (Judge's Office) collects the Marshall's cost portion and remits it to the Marshall's Office for deposit in the General Fund. The Marshall's Office collects the court costs and fines on all other cases, which are deposited in the Marshall'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.

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

Note 3 - CASH AND CASH EQUIVALENTS

Under the state law, the Marshall'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 Marshall'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, 2004 the Marshall's Office has cash and cash equivalents (investments with a maturity date of 90 days or less) totaling \$ 31,258 as follows:

Demand deposits	\$ 31,258
Certificates of deposits	<u>—</u>
	<u>\$ 31,258</u>

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WARD ONE CITY MARSHALL
 Leesville, Louisiana
 Notes to the Financial Statements
 June 30, 2004

Note 3 - CASH AND CASH EQUIVALENTS
(CONTINUED)

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, 2004, are secured as follows:

Bank Balance	\$ <u>43,381</u>
Federal deposit insurance	\$ <u>43,381</u>

Note 4 - RECEIVABLES

The receivables of \$ 3,200 at June 30, 2004 are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Bond Fund</u>	<u>Total</u>
Charges for Services	\$ 3,200	\$ —	\$ 3,200
Licenses & permits	—	—	—
Other	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 3,200</u>	<u>\$ —</u>	<u>\$ 3,200</u>

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 5 - CAPITAL ASSETS

Capital Assets and depreciation activity as of and for the year ended June 30, 2004, is as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2004</u>	<u>Amounts</u>	<u>Deletions</u>	<u>Balance July 30, 2004</u>
Vehicles	\$ 20,000	\$ —	\$ —	\$ 20,000
Office Equipment	<u>3,504</u>	<u>630</u>	<u>—</u>	<u>4,134</u>
Total	<u>\$ 23,504</u>	<u>\$ 630</u>	<u>\$ —</u>	<u>\$ 24,134</u>
Less accumulated depreciation:				
Vehicles	(13,333)	(4,000)	—	(17,333)
Office Equipment	<u>(2,339)</u>	<u>(587)</u>	<u>—</u>	<u>(2,926)</u>
Total	<u>\$ (15,672)</u>	<u>\$ (4,587)</u>	<u>\$ —</u>	<u>\$ (20,259)</u>
Capital assets, net	<u>\$ 7,832</u>	<u>\$ (3,957)</u>	<u>\$ —</u>	<u>\$ 3,875</u>

Note 6 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$ 1,628 at June 30, 2004, are as follows:

	<u>General Fund</u>
Withholdings	\$ 991
Accounts	543
Other	<u>—</u>
Total	<u>\$ 1,534</u>

WARD ONE CITY MARSHALL
Leesville, Louisiana
Notes to the Financial Statements
June 30, 2004

Note 7 - RISK MANAGEMENT

The Marshall'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 Marshall'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
Marshall's Office - owned buildings and equipment	None

The Marshall's Office covers all other losses, claim settlements, and judgements 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 Marshall's Office was not involved in an litigation nor did it have asserted claims lodged against it.

REQUIRED SUPPLEMENTAL INFORMATION

WARD ONE CITY MARSHALL
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, 2004

	<u>Budget Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Budget to GAAP</u> <u>Differences</u>	<u>Actual Amount</u> <u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>	
Revenues:					
Intergovernmental	\$35,000	\$ 35,000	\$ 34,752	\$(248)	\$ 34,752
Miscellaneous	50,000	50,000	49,508	(492)	49,508
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>84,260</u>	<u>(740)</u>	<u>84,260</u>
Expenditures:					
Current:					
General Government:					
Salaries	43,000	43,000	42,840	160	42,840
Payroll taxes	3,300	3,300	3,256	44	3,256
Auto Expense	8,500	8,500	8,611	(111)	8,611
Telephone	3,200	3,200	3,256	(56)	3,256
Office supplies & expense	1,600	1,600	1,558	42	1,558
Printing & copy services	1,200	1,200	1,154	46	1,154
Accounting	3,500	3,500	3,400	100	3,400
Insurance	7,400	7,400	7,252	148	7,252
Postage	500	500	426	74	426
Uniforms	500	500	442	58	442
Computers	400	400	355	45	355
Dues and subscriptions	400	400	350	50	350
Capital outlay (Note 4)	700	700	630	70	630
Total expenditures	<u>74,200</u>	<u>74,200</u>	<u>73,530</u>	<u>670</u>	<u>73,530</u>
Excess (deficiency) of revenues					
Over (under) expenditures	10,800	10,800	10,730	(70)	10,730
Fund Balance, beginning of year	<u>16,096</u>	<u>16,096</u>	<u>16,096</u>	<u>—</u>	<u>16,096</u>
Fund Balance, end of year	<u>26,896</u>	<u>26,896</u>	<u>26,826</u>	<u>(70)</u>	<u>26,826</u>

The accompanying notes are an integral part of this statement.

WARD ONE CITY MARSHALL
Leesville, Louisiana
Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2004

I have audited the financial statements of Marshall's Office as of and for the year Ended June 30, 2004, and have issued my reported thereon dated December 23, 2004. 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, 2004, 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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable Conditions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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b. Federal Awards

Internal Control

Material Weaknesses	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Reportable Conditions	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A

Type of Opinion on Compliance For Major Programs

Unqualified	<input type="checkbox"/>	Qualified	<input type="checkbox"/>
Disclaimer	<input type="checkbox"/>	Adverse	<input type="checkbox"/>
N/A	<input checked="" type="checkbox"/>		

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a) ?
 Yes No 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 MARSHALL
Leesville, Louisiana
Schedule of Prior Auditing Findings

There were no prior year audit findings.

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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*

Ward One City Marshall
Leesville, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Ward One City Marshall, as of and for the year ended June 30, 2004, which collectively comprise the Ward One City Marshall's basic financial statements and have issued my report thereon date December 23, 2004. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the Ward One City Marshall'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 are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Ward One City Marshall'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 provide 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 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. 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, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties, although under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Elliott & Assoc. "APAC"

Leesville, Louisiana
December 23, 2004