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OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

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 8/15/07

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COMPILATION REPORT

Opelousas City Marshal
Opelousas, Louisiana

We have compiled the accompanying financial statements of the Opelousas City Marshal, as of and for the year ended December 31, 2006, 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 of the Opelousas City Marshal. 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. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

As explained in Note (1) B to the financial statements, management has elected not to implement the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.

John S. Dowling & Company

Opelousas, Louisiana
May 25, 2007

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2006

	GOVERNMENTAL FUND TYPE GENERAL	AGENCY FUND GARNISHMENT	ACCOUNT GROUPS		TOTALS	
			GENERAL FIXED ASSETS	GENERAL LONG- TERM DEBT	(Memorandum Only) 2006	2005
<u>ASSETS</u>						
Cash	\$40,981	\$24,903			\$65,884	\$45,345
Certificates of deposit	54,328				54,328	52,953
Due from garnishment account	24,903				24,903	
Receivables	13,706				13,706	10,295
Fixed assets			\$87,350		87,350	58,521
Amount to be provided				\$23,637	23,637	
<u>Total assets</u>	<u>133,918</u>	<u>24,903</u>	<u>87,350</u>	<u>23,637</u>	<u>269,808</u>	<u>167,114</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts payable	\$731				\$731	\$1,503
Payroll taxes payable	3,254				3,254	2,407
Due to General Fund		\$24,903			24,903	
Garnishment payable						3,865
Long-term debt				\$23,637	23,637	
<u>Total liabilities</u>	<u>3,985</u>	<u>24,903</u>	<u>-0-</u>	<u>23,637</u>	<u>52,525</u>	<u>7,775</u>
<u>FUND EQUITY</u>						
Investment in general fixed assets			\$87,350		87,350	58,521
Fund balance - unreserved	129,933				129,933	100,818
<u>Total fund equity</u>	<u>129,933</u>	<u>-0-</u>	<u>87,350</u>	<u>-0-</u>	<u>217,283</u>	<u>159,339</u>
<u>Total liabilities and fund equity</u>	<u>133,918</u>	<u>24,903</u>	<u>87,350</u>	<u>23,637</u>	<u>269,808</u>	<u>167,114</u>

See accompanying notes and accountant's report.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	(Memorandum Only) 2005
<u>REVENUES</u>		
Fines and forfeitures		
Fines	\$125,880	\$138,461
Bond forfeiture		3,941
Subpoenas	4,123	6,926
Bonds collected	2,940	4,889
Garnishment revenue	16,802	11,014
Civil fees	520	155
Intergovernmental		
Salary reimbursements	11,660	10,660
Juvenile mileage	246	173
City of Opelousas	12,634	12,634
St. Landry Parish Government	6,000	
State supplemental pay	3,875	
Interest income	1,683	1,175
Other		
Miscellaneous	536	
Accident claim		3,457
<u>Total revenues</u>	<u>186,899</u>	<u>193,485</u>
<u>EXPENDITURES</u>		
Current operating		
Salaries	105,572	102,639
Payroll taxes	8,688	8,550
Repairs and maintenance	3,604	5,106
Insurance	14,216	10,238
Office supplies	2,979	3,409
Advertising	316	40
Recording and filing fees		165
Uniforms	4,173	3,555
Dues and conventions	396	85
Bank charges	20	70
Meals	25	
Police supplies	2,261	353
Legal fees	661	862
Accounting	2,953	2,100
Travel and meetings	538	715
Automobile lease	469	5,156
Telephone	3,826	3,260
Miscellaneous	377	366
Interest		113
Utilities		98
Debt service		
Principal	3,412	
Interest	1,518	
Capital outlay	28,829	8,052
<u>Total expenditures</u>	<u>184,833</u>	<u>154,932</u>

Continued on next page.

See accompanying notes and accountant's report.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES - GENERAL FUND - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>	(Memorandum Only) <u>2005</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>\$2,066</u>	<u>\$38,553</u>
<u>OTHER FINANCING SOURCES</u>		
Inception of installment loan	27,049	
Sale of autos		<u>1,200</u>
<u>Total other financing sources</u>	<u>27,049</u>	<u>1,200</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</u>	29,115	39,753
<u>FUND BALANCE, beginning of year</u>	<u>100,818</u>	<u>61,065</u>
<u>FUND BALANCE, end of year</u>	<u>129,933</u>	<u>100,818</u>

See accompanying notes and accountant's report.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Fines and forfeitures			
Fines	\$120,000	\$125,880	\$5,880
Subpoenas	4,000	4,123	123
Bonds collected	3,000	2,940	(60)
Garnishment revenue	12,000	16,802	4,802
Civil fees	500	520	20
Intergovernmental			
Salary reimbursements	10,000	11,660	1,660
Juvenile and citation mileage	125	246	121
City of Opelousas	12,634	12,634	
St. Landry Parish Government		6,000	6,000
State supplemental pay		3,875	3,875
Interest income	1,200	1,683	483
Other			
Miscellaneous	6,000	536	(5,464)
<u>Total revenues</u>	<u>169,459</u>	<u>186,899</u>	<u>17,440</u>
<u>EXPENDITURES</u>			
Current operating			
Salaries	106,000	105,572	428
Payroll taxes	5,000	8,688	(3,688)
Auto gasoline, repairs and maintenance	2,500	3,604	(1,104)
Insurance	15,000	14,216	784
Office supplies	750	2,979	(2,229)
Advertising	350	316	34
Uniforms	5,000	4,173	827
Dues and conventions	400	396	4
Bank charges		20	(20)
Meals	100	25	75
Equipment maintenance	500		500
Police supplies	2,500	2,261	239
Legal fees	1,000	661	339
Accounting	3,000	2,953	47
Computer costs	1,000		1,000
Automobile lease	6,000	469	5,531
Travel and meetings	750	538	212
Telephone	4,000	3,826	174
Miscellaneous	5,000	377	4,623
Debt service			
Principal		3,412	(3,412)
Interest		1,518	(1,518)
Capital outlay	2,000	28,829	(26,829)
<u>Total expenditures</u>	<u>160,850</u>	<u>184,833</u>	<u>(23,983)</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>			
<u>EXPENDITURES</u>	<u>8,609</u>	<u>2,066</u>	<u>(6,543)</u>

Continued on next page.

See accompanying notes and accountant's report.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>Other Financing Sources</u>			
Inception of installment loan		\$27,049	\$27,049
<u>Total other financing sources</u>	<u>-0-</u>	<u>27,049</u>	<u>27,049</u>
 <u>EXCESS OF REVENUES AND OTHER</u>			
<u>FINANCING SOURCES OVER EXPENDITURES</u>	<u>\$8,609</u>	29,115	<u>20,506</u>
 <u>FUND BALANCE, beginning of year</u>			
		<u>100,818</u>	
 <u>FUND BALANCE, end of year</u>			
		<u>129,933</u>	

See accompanying notes and accountant's report.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies and practices.

A. The Reporting Entity

As the governing authority for the City of Opelousas, for reporting purposes, the City of Opelousas, Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature or significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. 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 primary government 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 primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
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 described above, the Opelousas City Marshal is a primary government due to the following:

1. The Marshal is an independently elected official.
2. The Marshal is fiscally independent of the City of Opelousas.
3. The Marshal is legally separate from the City of Opelousas.

The accompanying basic financial statements present information only on the funds maintained by the City Marshal and do not present information on the City of Opelousas, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The accompanying financial statements of the Opelousas City Marshal 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 standards-setting body for establishing governmental accounting and financial reporting principles.

Management has elected not to implement the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

C. Fund Accounting

The City Marshal uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, 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. The following fund types and account groups are used by the City Marshal:

General Fund. The General Fund is used to account for resources traditionally associated with government which are not required legally to be accounted for in another fund.

General Fixed Assets Account Group. This account group is established to account for all fixed assets of the City Marshal.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

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. The governmental fund is maintained on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The following practices are used in recording revenues and expenditures:

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Revenues

Fines and reimbursements are recorded when they become susceptible to accrual. Miscellaneous revenues are recorded when received.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting. Expenditures are recorded when the related fund liability is incurred.

Expenditures for insurance and similar services, which extend over more than one accounting period, are accounted for as expenditures in the period of acquisition.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of year-end unless significant.

The City Marshal does not employ the encumbrance system of accounting.

E. Fixed Assets

Fixed assets used in governmental fund type operations that have an estimated useful life greater than one year (General Fixed Assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. These assets are maintained on the basis of original cost and no depreciation is computed or recorded thereon. The Marshal does not have public domain or infrastructure outlays. The City Marshal does not capitalize interest costs incurred on fixed assets.

The account group is not a "fund." It is concerned only with the measurement of financial position, not with the measurement of results of operations.

F. Budget

The City Marshal adopts a budget at the beginning of each year on a basis consistent with generally accepted accounting principles (GAAP). If necessary, the budget is amended.

G. Investments and Cash

Louisiana statutes authorize the City Marshal to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

H. Annual Sick Leave

All annual leave accumulated in 2006 was converted to sick leave on December 31, 2006. Sick leave is paid upon retirement or death, up to a maximum of 240 hours at a rate computed by taking the current monthly salary provided by the Opelousas City Marshal, and dividing that amount by 160 hours. Accrued compensated absences are not material at December 31, 2006 and thus are not recorded in these financial statements.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Accounts Receivable

The accounts receivable account represents fines receivable, salary reimbursement, juvenile mileage, and subpoenas.

The fines receivable amount represents fines collected by the Opelousas City Court for the prior year but not remitted to the City Marshal until the current year.

The salary reimbursement receivable represents the amount the City Marshal is reimbursed each month for salaries. The reimbursement is usually received during the month the expense is incurred.

The juvenile mileage receivables are reimbursements by the Opelousas City Court for costs incurred by the City Marshal's employees. Each month a mileage recap is sent to Opelousas City Court for the reimbursement which is made in the following month.

The subpoena receivable represents the amount collected by the Opelousas City Court for the prior year but not remitted to the City Marshal until the current year.

The restitution receivable represents reimbursements by an individual for costs incurred by the City Marshal's office for transfer of a suspect.

The bond forfeiture receivable represents amounts collected by the Opelousas City Court, mainly from bonding agencies, when defendants fail to appear in court.

J. Total Columns on Combined Statements

Total columns on the combined 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. Interfund eliminations have not been made in the aggregation of this data.

NOTE (2) - CASH AND CERTIFICATES OF DEPOSIT

Cash consists of 3 demand deposit accounts. At year-end, the carrying amount of the City Marshal's cash accounts was \$65,884. The bank balance of cash was \$76,519. The cash was covered by federal depository insurance.

The carrying amount and the bank balance of certificates of deposit at year-end was \$54,328. The bank balance was covered by federal depository insurance.

NOTE (3) - ACCOUNTS RECEIVABLE

Receivables at December 31, 2006 consist of the following:

Salary reimbursement - DA	\$1,500
Fines	11,810
Subpoenas	<u>396</u>
<u>Total</u>	<u>13,706</u>

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE (4) - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Balance</u> <u>1/1/06</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/06</u>
Automobiles	\$33,500	\$28,829		\$62,329
Equipment	<u>25,021</u>	<u> </u>	<u> </u>	<u>25,021</u>
<u>Totals</u>	<u>58,521</u>	<u>28,829</u>	<u>-0-</u>	<u>87,350</u>

The land and building in which the Opelousas City Marshal operates, are provided by and currently owned by the City of Opelousas, Louisiana.

NOTE (5) - LONG-TERM DEBT

On March 20, 2006, the Marshal entered into an installment loan contract to finance the purchase of a 2006 GMC truck in the amount of \$27,048.50. The loan is for 60 payments of \$546.93 beginning May 5, 2006. Debt service on the loan is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$4,873	\$1,690	\$6,563
2008	5,272	1,291	6,563
2009	5,703	860	6,563
2010	6,169	394	6,563
2011	<u>1,620</u>	<u>21</u>	<u>1,641</u>
	<u>23,637</u>	<u>4,256</u>	<u>27,893</u>

NOTE (6) - LEASE COMMITMENTS

The Opelousas City Marshal entered into an operating lease for a 2003 Buick LeSabre in a prior year. The lease was for a term of 36 months with monthly payments of \$468.77. The lease had a purchase option available for \$12,998 at the end of the term. The purchase option was not exercised in 2006 and the vehicle was turned in. Rental expenditures incurred for the year 2006 were \$469.

NOTE (7) - ON-BEHALF PAYMENTS

Employees of the Opelousas City Marshal's Office received salaries and fringe benefits from various agencies. The following is a summary of these on-behalf payments:

City of Opelousas	
Salaries	\$116,097
Fringe benefits	39,177
Opelousas City Court	
Fees for serving papers	15,343
St. Landry Parish Government	
Salaries	8,174
State of Louisiana	
State supplemental pay	<u>6,750</u>
	<u>185,541</u>

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE (7) - ON-BEHALF PAYMENTS (Continued)

The City of Opelousas also pays certain operating expenses of the Marshal's office as follows:

Vehicle expenses	\$13,328
Telephone, postage, office supplies	5,512
Equipment maintenance	1,391
Travel and meetings	300
Capital outlay	<u>2,500</u>
	<u>23,031</u>

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006

SECTION I - COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2006-1 Bid Law

A truck was purchased during the year for \$27,048.50 which was not bid out. The purchase exceeds the threshold for advertising and obtaining bids.

2006-2 State Bond Commission Approval

An installment loan agreement was entered into without State Bond Commission approval. The loan was for a period of 60 months and was for the purchase of the truck.

2006-3 Budget Law

Actual expenditures exceeded budgeted expenditures by 14.9%.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2006

2006-1 Bid Law

The Marshal was under the impression that the price paid was a State Contract Price. It was a misunderstanding between the Marshal and the dealership. They had discussed several options including a lease and then decided to go with a purchase since it was the better option economically.

The Marshal's Office is committed to being in compliance with the public bid law. The Marshal will carefully review the public bid law prior to the purchase of anything that falls under the guidance of the public bid law and will be sure that his office complies with the requirements of that law.

2006-2 State Bond Commission Approval

This non-compliance is a direct result of the #1 Bid Law violation listed above. Because the Marshal thought this vehicle was purchased at a State Contract Price, he didn't think that he had to get approval from the State Bond Commission.

In the future, the Marshal will get approval from the State Bond Commission on all installment loan agreements.

2006-3 Budget Law

The Marshal's actual expenditures exceeded the budgeted expenditures by 14.9%. This was an oversight. In the future, we plan to monitor the budget more carefully and amend it whenever necessary.

OPELOUSAS CITY MARSHAL
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006

SECTION I - COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

No findings.