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WARD THREE PARISHAL - CITY COUNTY OF EAST CHARLES, LOUISIANA

East Charles, Louisiana

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

Year Ended December 31, 1998

These reports were prepared for the Board of Directors of the East Charles Parishal, Louisiana, by the independent auditor, Messrs. [Name], Chartered Accountants, New Orleans, Louisiana. The reports were prepared in accordance with the standards of the American Institute of Certified Public Accountants. The reports were prepared for the Board of Directors of the East Charles Parishal, Louisiana, and are not intended for any other purpose. The reports were prepared for the Board of Directors of the East Charles Parishal, Louisiana, and are not intended for any other purpose. The reports were prepared for the Board of Directors of the East Charles Parishal, Louisiana, and are not intended for any other purpose.

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Ward Thorne Marshal - City Court of Lake Charles

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

December 31, 1994

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Long-Term Debt Account Group:

The general long-term debt account group accounts for long-term liabilities to be financed from governmental fund proceeds.

3. 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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when measurable to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

4. Cash

Cash includes amounts in demand deposits and time deposits. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits for 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. These securities are held in the name of

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In planning and performing our audit of the general purpose financial statements of Ward Three Marshal - City Court of Lake Charles, Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

March 3, 1997

To the City Council
Ward Three Marshal - City Court
of Lake Charles, Louisiana

We have audited the general purpose financial statements of Ward Three Marshal - City Court of Lake Charles, Louisiana, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Ward Three Marshal - City Court of Lake Charles, Louisiana is the responsibility of the Marshal's Management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Marshal's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Crackson, Carhay & Crillory

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT ACCOUNTING STANDARDS**

March 3, 1997

To the City Council
Ward Three Marshal - City Court
of Lake Charles, Louisiana

We have audited the general purpose financial statements of Ward Three Marshal - City Court of Lake Charles, Louisiana, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

The management of Ward Three Marshal - City Court of Lake Charles, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Ward Three Marshal - City Court of Lake Charles

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1990

NOTE C - LONG-TERM DEBT

The following is a summary of debt transactions for the year ended December 31, 1990:

Balance Dec. 31, 1989	Issued	Payments	Balance Dec. 31, 1990
\$ 25,000	\$ 14,000	\$ 14,000	\$ 25,000

General long-term debt is being financed from general fund revenues.

General long-term debt payable at December 31, 1990 is comprised of the following individual issues:

Premier Bank, Lake Charles, Louisiana Note dated August, 1989 payable in monthly payments of \$465 with interest at 9.5% to August 1990, collateral of two automobiles	<u>\$ 14,000</u>
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The annual requirements to amortize all debt outstanding as of December 31, 1990 are as follows:

December 31,	
1997	\$ 8,649
1998	8,375
	<u>\$ 14,024</u>

NOTE D - RESTRICTED ASSETS

The Marshal's office has the responsibility as custodian of the cash bond and garnishment funds of the City of Lake Charles. The cash balances of these two funds consisted of the following:

Garnishment	\$ 1,000
Bonds	<u>11,375</u>
	<u>\$ 12,375</u>

Ward Three Marshal - City Clerk of Lake Charles

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1994

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the pledging fiscal agent bank in a holding or collateral bank that is mutually acceptable to both parties. As December 31, 1994, the Marshal has \$54,382 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

3. BUDGETS

The Ward Three Marshal is not legally required to adopt a budget and did not adopt a budget for the year ended December 31, 1994.

4. Total Columns

Total columns on the Combined Financial Statements are captioned "Supplement 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. Switches in such data comparable to a consolidation.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance Dec. 31, 1993	Additions	Balance Dec. 31, 1994
Automobiles	\$ 85,374	\$ -	\$ 85,374
Furniture and fixtures	19,489	575	20,064
Radio equipment	10,997	-	10,997
Equipment	<u>2,322</u>	<u>5,383</u>	<u>7,705</u>
	\$ 118,182	\$ 5,958	\$ 124,140

WARD THREE MARSHAL - CITY COURT OF LAKE CHARLES

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Organizations for which the City of Lake Charles, Louisiana does not exercise a voting majority but are financially dependent on the City of Lake Charles, Louisiana;
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Ward Three Marshal - City Court of Lake Charles is a component unit of the City of Lake Charles, LA's reporting entity.

3. Fund Accounting

The Ward Three Marshal - City Court of Lake Charles 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 financial resources.

The following funds and group of accounts are used by the Marshal:

Governmental Fund:

The Governmental Fund accounts for all of the Ward Three Marshal's general activities. The Governmental Fund includes:

1. General Fund - The general operating fund of the Ward Three Marshal. All financial resources are accounted for in the General Fund.

General Fixed Assets Account Group:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

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Third Third Month - City Court of Lake Charles

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT OBJECTS

December 31, 1999

ASSETS	Governmental			Totals (Memo, Only)
	Fund Type	ACCOUNT STRUCTURE		
		General	Fund Assets	
Cash	\$ 381	\$ -	\$ -	\$ 381
Receivables				
COURT FEES	7,840	-	-	7,840
RESTRICTED ASSETS				
CASH	12,770	-	-	12,770
FUND ASSETS	-	113,300	-	113,300
Amount to be provided for retirement of general long-term debt	-	-	14,822	14,822
TOTAL ASSETS	\$ 21,031	\$ 113,300	\$ 14,822	\$ 149,153
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 756	\$ -	\$ -	\$ 756
Accrued liabilities	383	-	-	383
Payable from restricted assets				
Deposits	13,770	-	-	13,770
General obligation bonds	-	-	14,822	14,822
TOTAL LIABILITIES	14,929	-	14,822	29,751
FUND EQUITY				
Investment in general fund assets	-	113,300	-	113,300
Fund balances				
Encumbered and undesignated	8,382	-	-	8,382
Total fund equity	8,382	113,300	-	121,682
TOTAL LIABILITIES AND FUND EQUITY	\$ 23,311	\$ 126,600	\$ 14,822	\$ 164,733

The accompanying notes are an integral part of these statements.

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INDEPENDENT AUDITORS' REPORT

March 3, 1997

Mr. Tony Mascolo, Marshal
Ward Three Marshal - City Court
of Lake Charles, Louisiana
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of Ward Three Marshal - City Court of Lake Charles, Louisiana, component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 1996. These general purpose financial statements are the responsibility of the Marshal's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ward Three Marshal-City Court of Lake Charles, Louisiana as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 3, 1997, on our consideration of Ward Three Marshal's internal control structure and a report dated March 3, 1997, on the compliance with laws and regulations.

Ward Three Marshal - City Court of Lake Charles

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ward Three Marshal - City Court of Lake Charles have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Ward Three Marshal's accounting policies are described below.

1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB statement No. 14, the Ward Three Marshal - City Court of Lake Charles includes all funds, account groups, or centers that are within the oversight responsibility of the Ward Three Marshal - City Court of Lake Charles.

As the governing authority, for reporting purposes, the City of Lake Charles, 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 the nature and 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 City of Lake Charles, Louisiana 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 City of Lake Charles, Louisiana 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 City of Lake Charles, Louisiana.

Continued

State Three Month - City Court of Lake Charles

STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND

Year ended December 31, 1994

REVENUES	
Court fees	\$ 133,780
Road income	3,000
Miscellaneous	<u>11,169</u>
	148,349
EXPENDITURES	
Current operating	
Administration	5,290
Auto	8,281
Contract labor	889
Office work	6,894
Fees and subscriptions	2,373
Equipment rental	1,804
Equipment repair	349
Fuel	7,433
Law enforcement supplies	1,478
Meals	2,702
Meetings and conventions	2,808
Miscellaneous	247
Office supplies	7,227
Supplies (tapes)	3,244
Postage	104
Professional fees	14,908
Telephone	1,100
Wages	72,459
Debt service	
Principal retirement of long-term debt	14,814
Interest	2,064
Capital outlay	<u>6,328</u>
Total expenditures	224,262
excess (deficiency) of revenues over expenditures	18,411
Fund balance at beginning of year	<u>12,352</u>
Fund balance at end of year	\$ <u>30,563</u>

The accompanying notes are an integral part of these statements.