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COMPONENT UNIT FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

WARD FOUR MARSHAL
SULPHUR, LOUISIANA

June 30, 1995, 1996, 1997, AND 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 4.14.99

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McMullen and Mancuso
Certified Public Accountants, L.L.C.

P.O. Box 202

Lisa J. McMullen, CPA

3516 Maplewood Drive

Telephone (318) 623-5057

Pamela C. Mancuso, CPA

Sulphur, Louisiana 70667-0202

Fax (318) 623-5879

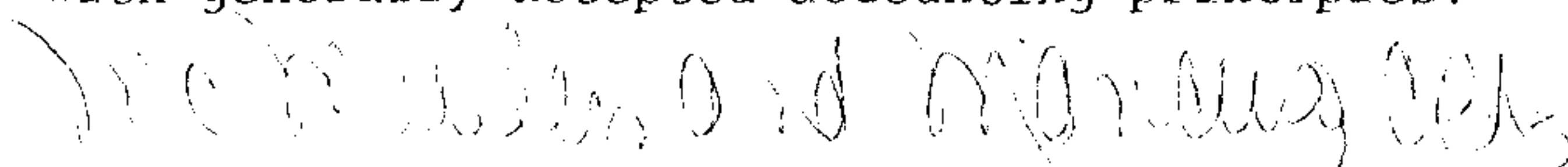
INDEPENDENT AUDITORS' REPORT

Ward Four Marshal
Sulphur, Louisiana

We have audited the accompanying component unit financial statements of the Ward Four Marshal, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the years ended June 30, 1995, 1996, 1997 and 1998. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards adopted by the American Institute of Certified Public Accountants, and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States, and the Louisiana Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Ward Four Marshal, Sulphur, Louisiana, a component unit of the City of Sulphur, as of June 30, 1995, 1996, 1997 and 1998, and for the results of its operating for the years then ended in conformity with generally accepted accounting principles.


March 23, 1999

Members

American Institute of Certified Public Accountants
Louisiana Society of Certified Public Accountants

WARD FOUR MARSHAL
 Sulphur, Louisiana
 a component unit of
 the City of Sulphur

COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1995, 1996, 1997, and 1998

	1995		1996		1997		1998	
	GENERAL FUND	AGENCY FUND	GENERAL FUND	AGENCY FUND	GENERAL FUND	AGENCY FUND	GENERAL FUND	AGENCY FUND
ASSETS AND OTHER DEBITS								
ASSETS								
Cash (Note D)	\$ 124,703	\$ 0	\$ 118,123	\$ 0	\$ 123,303	\$ 0	\$ 99,819	\$ 0
Prepaid Expenditures	2,000	0	0	0	0	0	0	0
Due From Other Funds	0	1,808	113	0	1,338	0	1,751	0
Property, Plant, and Equipment (Note E)	0	0	0	0	0	0	0	113,397
Total Assets and Other Debits	\$ 126,703	\$ 1,808	\$ 118,236	\$ 0	\$ 124,642	\$ 0	\$ 101,570	\$ 113,397
LIABILITIES, EQUITY, AND OTHER CREDITS								
LIABILITIES:								
Garnishments and Seizures Payable	\$ 0	\$ 1,808	\$ 0	\$ (113)	\$ 0	\$ (1,338)	\$ 0	\$ (1,751)
Due to Other Funds	1,808	0	0	113	0	1,338	0	1,751
Total Liabilities	\$ 1,808	\$ 1,808	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity and Other Credits:								
Investment in General Fixed Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances, Unreserved, Undesignated	124,895	0	118,236	0	124,642	0	101,570	0
Total Equity and Other Credits	124,895	0	118,236	0	124,642	0	101,570	113,397
Total Liabilities, Equity and Other Credits	\$ 126,703	\$ 1,808	\$ 118,236	\$ 0	\$ 124,642	\$ 0	\$ 101,570	\$ 113,397

The accompanying notes are an integral part of these statements.

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GENERAL FUND

June 30, 1995, 1996, 1997 and 1998

	<u>June 30, 1995</u>	<u>June 30, 1996</u>	<u>June 30, 1997</u>	<u>June 30, 1998</u>
REVENUES:				
Intergovernmental Revenue	\$ 95,624	\$ 88,613	\$ 66,268	\$ 70,425
Interest Revenue	<u>1,912</u>	<u>4,428</u>	<u>4,416</u>	<u>5,111</u>
Total	<u>97,536</u>	<u>93,041</u>	<u>70,684</u>	<u>75,536</u>
EXPENDITURES:				
Advertising	30	30	30	0
Bank Service Charges	238	251	526	530
Capital Outlay	18,394	26,496	16,511	7,058
Cleaning and Maintenance	1,325	1,200	1,200	1,200
Dues	155	125	190	375
Equipment Maintenance and Repair	443	281	363	280
Insurance	450	3,714	2,940	285
Miscellaneous Expense	0	283	0	0
Office Supplies	2,117	0	0	0
Postage	1,303	886	900	780
Professional	2,900	0	626	0
Salaries	55,462	54,687	30,602	81,139
Supplies	4,132	2,387	2,084	1,223
Telephone	1,530	1,416	1,656	1,443
Vehicle Expense	<u>6,902</u>	<u>7,944</u>	<u>6,650</u>	<u>4,295</u>
Total Expenditures	<u>95,381</u>	<u>99,700</u>	<u>64,278</u>	<u>98,608</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,155	(6,659)	6,406	(23,072)
FUND BALANCE, July 01	<u>122,740</u>	<u>124,895</u>	<u>118,236</u>	<u>124,642</u>
FUND BALANCE, June 30	<u>\$ 124,895</u>	<u>\$ 118,236</u>	<u>\$ 124,642</u>	<u>\$ 101,570</u>

The accompanying notes are an integral part of these statements.

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

NOTES TO FINANCIAL STATEMENTS
June 30, 1995, 1996, 1997, AND 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ward Four Marshal is an independently elected official and the Ward Four Marshal's office is part of the operation of the City of Sulphur, Louisiana court system. The Marshal's office is financially dependent upon the City of Sulphur for office space.

In conformance with the National Council on Governmental Accounting, Statement 14, the Ward Four Marshal's office is a component unit of the City of Sulphur, Louisiana. The accompanying financial statements present information only on the funds and account groups maintained by the Ward Four Marshal and do not present information on the City of Sulphur, Louisiana and the general government services provided by that governmental unit.

Fund Accounting

The accounts of the Ward Four Marshal's office are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues or expenditures. The following funds and groups of accounts are used by the Ward Four Marshal.

Governmental Fund Type:

General Fund -

The general fund is the general operating fund of the Ward Four Marshal's office. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Fiduciary Fund Type:

Agency Fund -

Agency Funds are used to account for the assets held by the Ward Four Marshal as an agent for other funds and/or governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

NOTES TO FINANCIAL STATEMENTS
June 30, 1995, 1996, 1997, AND 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Account Groups:

General Fixed Assets Account Group -

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of the donation. No depreciation is recorded on general fixed assets.

NOTE B - BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by measurement focus. All governmental fund types 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., revenue 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 and agency funds. 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 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 of revenues is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred.

NOTE C - BUDGETS AND BUDGETARY ACCOUNTING

The Ward Four Marshal does not currently adopt a budget and thus no budget comparison is presented in these statements.

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

NOTES TO FINANCIAL STATEMENTS
June 30, 1995, 1996, 1997, AND 1998

NOTE D - CASH AND INVESTMENTS

At June 30, 1995, 1996, 1997 and 1998 the book balance and the bank balance of the Marshal's deposits were as follows:

	Carrying Amount	Bank Balance
<u>June 30, 1995</u>		
Insured (FDIC):		
DDA	\$124,703	\$137,510
Uninsured:		
Collateral held by pledging bank's trust department in Marshal's name	0	0
	-----	-----
Totals	\$124,703	\$137,510
	=====	=====

<u>June 30, 1996</u>		
Insured (FDIC):		
DDA	\$118,123	\$138,035
Uninsured:		
Collateral held by pledging bank's trust department in Marshal's name	0	0
	-----	-----
Totals	\$118,123	\$138,035
	=====	=====

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

NOTES TO FINANCIAL STATEMENTS
June 30, 1995, 1996, 1997, AND 1998

NOTE D - CASH AND INVESTMENTS (CONTINUED)

June 30, 1997

Insured (FDIC):			
DDA	\$123,303	\$139,793	
Uninsured:			
Collateral held by pledging bank's trust department in Marshal's name	0	0	
	-----	-----	
Totals	\$123,303	\$139,793	
	=====	=====	

June 30, 1998

Insured (FDIC):			
DDA	\$99,819	\$145,569	
Uninsured:			
Collateral held by pledging bank's trust department in Marshal's name	0	0	
	-----	-----	
Totals	\$99,819	\$145,569	
	=====	=====	

WARD FOUR MARSHAL
 Sulphur, Louisiana
 a component unit of
 the City of Sulphur

NOTE E - CHANGES IN FIXED ASSETS
 The following is a summary of changes in the general fixed assets account group for the fiscal years.

	July 1, 1994	June 30, 1995		June 30, 1996		June 30, 1997		June 30, 1998	
		Additions	Deletions	Additions	Deletions	Additions	Deletions	Additions	Deletions
Vehicles	\$ 39,021	\$ 14,919	\$ 0	\$ 74,174	\$ 12,534	\$ 76,620	\$ 14,919	\$ 81,401	\$ 1,595
Gun Inventory	1,595	0	0	1,595	0	1,595	0	1,595	0
Office Furniture and Equipment	21,527	2,210	643	28,858	1,248	29,136	0	29,136	0
Leasehold Improvements	0	1,265	0	1,265	0	1,265	0	1,265	0
Totals	\$ 62,143	\$ 18,394	\$ 643	\$ 105,892	\$ 13,782	\$ 108,616	\$ 14,919	\$ 113,397	\$ 1,595

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL
(Based on an audit of the component unit financial statements
performed in accordance with Government Auditing Standards)

WARD FOUR MARSHAL
SULPHUR, LOUISIANA

June 30, 1995, 1996, 1997, and 1998

McMullen and Mancuso
Certified Public Accountants, L.L.C.

P.O. Box 202

Lisa A. McMullen, CPA

3516 Maplewood Drive

Telephone (318) 625-3054

Pamela C. Mancuso, CPA

Sulphur, Louisiana 70667-0202

Fax (318) 625-5849

Ward Four Marshal
Sulphur, Louisiana

We have audited the accompanying component unit financial statements of the Ward Four Marshal, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the years ended June 30, 1995, 1996, 1997 and 1998 and have issued our report thereon dated March 23, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in, Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ward Four City Marshal's Financial Statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 1995-1 and 1995-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ward Four Marshal's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Ward Four Marshal's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1995-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

McMillan and Manning CPAs
March 23, 1999

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Years Ended June 30, 1995, 1996, 1997, and 1998

We have audited the financial statements of Ward Four Marshal as of and for the years ended June 30, 1995, 1996, 1997, and 1998, and have issued our report thereon dated March 23, 1999. We conducted our 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. Our audit of the financial statements as of June 30, 1995, 1996, 1997, and 1998 resulted in an unqualified opinion.

Section I Summary of Auditor's Report

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

Internal Control			
Material Weaknesses	_____	Yes	_____ X _____
			No
Reportable Conditions	_____ X _____	Yes	_____
			No
Compliance			
Compliance Material to Financial Statements	_____	Yes	_____ X _____
			No

b. Federal Award

Not Applicable

Section II Financial Statement Findings

1995-1: Criteria - Government entities should adopt annual budget.

Condition - The Ward Four Marshal did not adopt formal budgets.

Effect - The Marshal was not in compliance with the Local Budget Act (LSA-RS39:1301-14).

Recommendation - The Ward Four Marshal should adopt budgets annually and submit them to the City of Sulphur, Louisiana for approval.

Ward Four Marshal
Sulphur, Louisiana,
a component unit of
the City of Sulphur

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
for the Years Ended June 30, 1995, 1996, 1997, and 1998

1995-1: Action Taken or Intended - The Marshal will adopt annual budget.

1995-2: Criteria - Accounting records should be maintained in such a matter as to provide evidence of legal compliance and the preparation of annual financial statements to comply with LSA-RS 24:514, 24:515, and/or 33:463.

Condition - The Ward Four Marshal commingles garnishments and seizures in the general operating account.

Effect - Control of garnishments and seizures is jeopardized.

Recommendations - The Ward Four Marshal should establish a separate checking account for the collection and remittance of garnishments and seizures.

Action Taken or Intended - The Marshal opened a separate bank account in January 1999.

1995-3: Criteria - Financial Statements should be prepared and audited in a timely manner in accordance with LSA-RS 24:513.

Condition - The Ward Four Marshal did not file audits of the financial statements timely.

Effect - The Marshal was not in compliance with LSA-RS 24:513.

Recommendation - The Ward Four Marshal should file all financial reports with the Legislative Auditor within six months of the fiscal year end.

Action Taken or Intended - Because total revenues and other sources received in any one fiscal year are below \$350,000, the Marshal will procure an annual compilation of the financial statements, to be accompanied by an attestation report on compliance with laws and regulations.

WARD FOUR MARSHAL
Sulphur, Louisiana,
a component unit of
the City of Sulphur

SCHEDULE OF PRIOR YEAR FINDINGS
for the Years Ended June 30, 1995, 1996, 1997, and 1998

INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS

1993-1: The Ward Four Marshal did not adopt formal budgets.

Unresolved - see current year finding 1995-1

1993-2: The Ward Four Marshal commingles garnishments and seizures in the general operating account. This practice adds difficulty to controlling accounts.

Unresolved - see current year finding 1995-2

1993-3: The Ward Four Marshal did not establish a fixed asset inventory nor tagged the assets.

Resolved