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MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 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 FEB 24 1999

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Joshua McDaniel, Sr., City Marshal
The City Court of the City of Franklin, Louisiana
Franklin, Louisiana

We have compiled the accompanying general purpose financial statements of the Marshal's Fund of the City Court of the City of Franklin, Louisiana, a component unit of the City of Franklin, as of and for the year ended June 30, 1998, 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 Marshal's Fund of the City Court of the City of Franklin, Louisiana. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 23, 1998, on the results of our agreed-upon procedures.

Guidry & Chauvin
Certified Public Accountants

Franklin, Louisiana
December 23, 1998

FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
June 30, 1998

	<u>Govt'l Fund Type</u>	<u>Account Group</u>	<u>Totals</u>	
	<u>Marshal's Fund</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
ASSETS				
Cash	\$ 4,336	\$ -	\$ 4,336	\$ 2,553
Due from other governmental units	-	-	-	3,777
Fixed assets	-	30,501	30,501	30,395
TOTAL ASSETS	<u>\$ 4,336</u>	<u>\$ 30,501</u>	<u>\$ 34,837</u>	<u>\$ 36,725</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Due to other govt's units	<u>27</u>	<u>-</u>	<u>27</u>	<u>-</u>
Total Liabilities	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>
Fund Equity				
Investment in general fixed assets	-	30,501	30,501	30,395
Fund balance	<u>4,309</u>	<u>-</u>	<u>4,309</u>	<u>6,330</u>
Total Fund Equity	<u>4,309</u>	<u>30,501</u>	<u>34,810</u>	<u>36,725</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,336</u>	<u>\$ 30,501</u>	<u>\$ 34,837</u>	<u>\$ 36,725</u>

See accompanying notes and accountants' report

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE

For the Years Ended June 30, 1998 and 1997

	1998	1997
REVENUES:		
Charges for services:		
Court cost	\$ 20,657	\$ 15,275
Marshal's fees	3,551	2,928
Intergovernmental Revenues:		
City of Franklin	42,189	34,977
City of Franklin	-	8,346
City Court of Franklin	-	4,000
TOTAL REVENUES	66,397	65,526
EXPENDITURES:		
Current:		
General and administrative:		
Salaries and related benefits	63,055	47,971
Telephone	851	733
Office expense	1,089	945
Automobile expense	585	750
Travel	2,086	52
Insurance	250	725
Fees	375	1,303
Miscellaneous	21	293
Capital outlay	106	20,750
TOTAL EXPENDITURES	68,418	73,522
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,021)	(7,996)
FUND BALANCE, BEGINNING	6,330	14,326
FUND BALANCE, ENDING	\$ 4,309	\$ 6,330

See accompanying notes and accountants' report.

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 1998

INTRODUCTION

On September 1, 1968, R.S. Chapter 7 Section 2488.1 established and created the City Court of the Town of Franklin. The territorial jurisdiction of which shall extend throughout the town of Franklin, Louisiana and throughout the whole of Ward Three of St. Mary Parish. The court is composed of a city judge, a marshal and a clerk of said court. The office of marshal is elected for a six year term.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Marshal's Fund of the City Court of the City of Franklin 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.

B. REPORTING ENTITY

As the governing authority of the city, for reporting purposes, the City of Franklin 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 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 Franklin 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:

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (cont.)
June 30, 1998

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the City 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.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
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.

Because the City of Franklin provides office space to the Marshal and the significance of the relationship between the Marshal and City, the Marshal was determined to be a component unit of the City of Franklin, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City, the general government services provided by that government unit, or the other government units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The accounts of the Marshal's Fund are organized on the basis of funds and the account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (cont.)
June 30, 1998

GOVERNMENTAL FUNDS

Marshal's Fund - The Marshal's Fund is used to account for the deposit from the City Court Fund of a prescribed ten dollar fee charged defendants convicted of violations as an additional cost of the court used to defray expenses of the Marshal's office. All related activities are accounted for in this fund.

D. BASIS OF ACCOUNTING

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at payment.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. 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.

F. FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. 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 donated. No depreciation has been provided on general fixed assets.

G. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Marshal's Fund financial position and operations.

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (cont.)
June 30, 1998

H. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: CASH AND CASH EQUIVALENTS

At June 30, 1998, the Marshal has cash and cash equivalents (book balances) totaling \$4,336 as follows:

Time Deposits	<u>\$4,336</u>
Total	<u>\$4,336</u>

These deposits are stated at cost, 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the Marshal has \$5,148 in deposits (collected bank balances). These deposits are secured from risk by \$5,148 of federal deposit insurance.

NOTE 3: CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>07-01-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-98</u>
Equipment - Marshal's Fund	\$ 30,395	\$ 106	\$ -	\$ 30,501
Total fixed assets	<u>\$ 30,395</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 30,501</u>

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (cont.)
June 30, 1998

NOTE 4: DUE TO OTHER GOVERNMENTAL UNITS

The amount due to other governmental units of \$27 at June 30, 1998, consists of court costs and fees, which were overpaid from the City Court of the City of Franklin.

NOTE 5: RETIREMENT PLAN

Substantially, all employees of the Marshal's Fund are members of the Municipal Employees' Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Marshal's Fund are members of Plan A. All permanent employees working at least 35 hours per week who are paid wholly or in part from city funds and all elected city officials are eligible to participate in the System.

Regular retirement benefits

A member of Plan A is eligible to retire and receive regular retirement benefits if:

- (1) He has credit for at least thirty years of service, regardless of his age;
- (2) He has credit for at least twenty-five years of service and is at least the age of fifty-five years; or
- (3) He has credit for at least ten years of service and is at least the age of sixty years.

The Plan A regular retirement benefit is an amount equal to three percent of the member's final compensation multiplied by his years of credited service (three percent multiplied by each year of credited service multiplied by final compensation), provided that:

- (1) A member who held an elective office in a participating municipality is paid an additional benefit equal to one-half of one percent of the member's final compensation multiplied by each year of such elective service (one-half of one percent multiplied by final compensation); and

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (cont.)
June 30, 1998

(2) For an employee who was a member only of the supplemental plan prior to the revision date, the benefit earned for service credited prior to the revision date will be determined on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date.

Applications for regular retirement should be submitted to the system at least six weeks prior to the planned retirement date. A copy of the member's birth certificate and, if an optional mode of benefit payments is selected, a copy of the option beneficiary's birth certificate must be attached to the application for retirement.

The System also provides death and disability benefits.

The System issued an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtain by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809-7606, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required to contribute 9.25 percent of their annual covered salary and the Marshal is required to contribute at an actuarially determined rate. The current rate is 6.25 percent of annual covered payroll. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Marshal Fund's contributions to the System under Plan A for the year ending June 30, 1998, 1997, and 1996 were \$1,058, \$2,027, and \$0, respectively, equal to the required contributions for each year.

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (cont.)
June 30, 1998

NOTE 6: ON-BEHALF PAYMENTS FOR SALARIES

During 1996 the Marshal implemented GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. This standard requires the Marshal to report in the financial statements on-behalf salary payments made by the City of Franklin to the Marshal's employees. Salary payments are made by the City directly to the employees. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the City. For 1998, the City paid salaries to the city marshal, deputy marshal and secretary. On-behalf payments recorded as revenues and expenditures in the general fund financial statements for 1998 totaled \$42,189.

FINANCIAL STATEMENTS
OF THE ACCOUNT GROUP

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA
GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
GENERAL FIXED ASSETS:		
Equipment	<u>\$ 30,501</u>	<u>\$ 30,395</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 30,501</u>	<u>\$ 30,395</u>
INVESTMENT IN GENERAL FIXED ASSETS:		
Marshal's Fund	<u>\$ 30,501</u>	<u>\$ 30,395</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 30,501</u>	<u>\$ 30,395</u>

See accompanying notes and accountants' report.

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1998

General Fixed Assets, Beginning of Year	\$30,395
Additions	106
Deletions	<u>-</u>
General Fixed Assets, End of Year	<u>\$30,501</u>

See accompanying notes and accountants' report.

INFORMATION REQUIRED BY THE
LOUISIANA GOVERNMENT AUDIT GUIDE

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Management of Marshal's Fund of the
City Court of the City of Franklin

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Marshal's Fund of the City Court of the City of Franklin and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures for materials and supplies that exceeded \$15,000.

Code of Ethics for Public Officials and Public Employees

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

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

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

Management provided us with the required list.

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

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

Accounting and Reporting

5. Randomly select 6 disbursements made during the period under examination and:

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

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

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the bookkeeper and the Marshal.

Debt

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

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Marshal's Fund of the
City of Franklin
December 23, 1998
Page Three

Advances and Bonuses

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

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated November 10, 1997, did not include any comments or unresolved matters.

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

This report is intended solely for the use of the Marshal, the City of Franklin, the Finance Committee of the St. Mary Parish Council and the Legislative Auditor of the State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Guidy & Chauvin

Certified Public Accountants

Franklin, Louisiana
December 23, 1998

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

AUGUST 23, 1998 (Date Transmitted)

GUIDRY AND CHAUVIN, CPA'S

P.O. BOX 1028

FRANKLIN, LA. 70538

(Auditors)

In connection with your compilation of our financial statements as of ^{June 30, 1998} ~~(date)~~ and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of ^{August 23, 1998} (date of completion/representations).

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No N/A

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

Meetings

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

Yes No N/A

Debt

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

Yes No

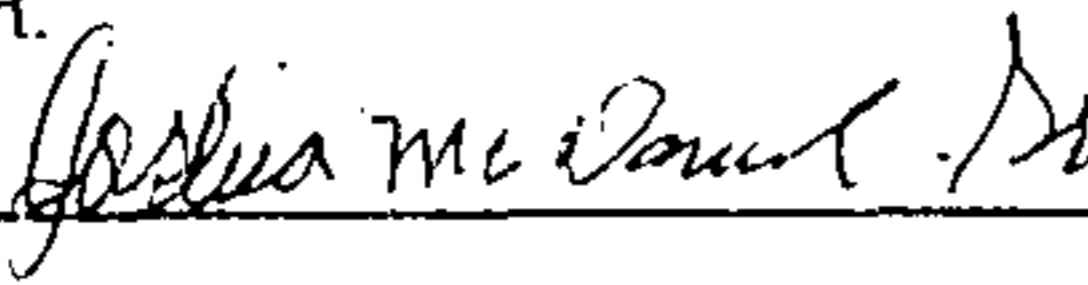
Advances and Bonuses

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

Yes No

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

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

	Marshal Secretary	AUGUST 26, 1998	Date
	Treasurer		Date
	President		Date

MARSHAL'S FUND OF THE CITY COURT
 OF THE CITY OF FRANKLIN, LOUISIANA

Management's Corrective Action Plan for Current Year Audit Findings
 For the Year Ended June 30, 1998

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person(s)</u>	<u>Anticipated Completion Date</u>

Note: There are no current year audit findings to be listed in this schedule.

MARSHAL'S FUND OF THE CITY COURT
OF THE CITY OF FRANKLIN, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1998

<u>Ref.No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
<u>1</u>	<u>1985</u>	<u>Inadequate Segregation of Accounting Functions</u>	<u>Yes</u>	<u>Based upon the size of the operation and the cost-benefit of additional personnel, the Marshal's secretary and the City Court's clerk and secretary began to exchange job duties in relation to handling cash. The Marshal also hired an independent bookkeeper to post his monthly journals and to reconcile the bank account.</u>