

99800907
4127

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RUSTON CITY MARSHAL'S OFFICE

FINANCIAL REPORT
September 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 **MAR 10 1999**

RUSTON CITY MARSHAL'S OFFICE

FINANCIAL REPORT

September 30, 1998

CONTENTS

	<u>PAGE</u>
ACCOUNT'S COMPILATION REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet--All Fund Types and Account Group	3
Statements of Revenues, Expenditures and Changes in Fund Balances--Governmental Fund Type	4
Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget (GAAP Basis) and Actual-- Governmental Fund Type	5
Notes to Financial Statements	6 - 11
AGREED-UPON PROCEDURES	
Accountant's Report on Applying Agreed-Upon Procedures	13 - 15
Louisiana Attestation Questionnaire	16- 17

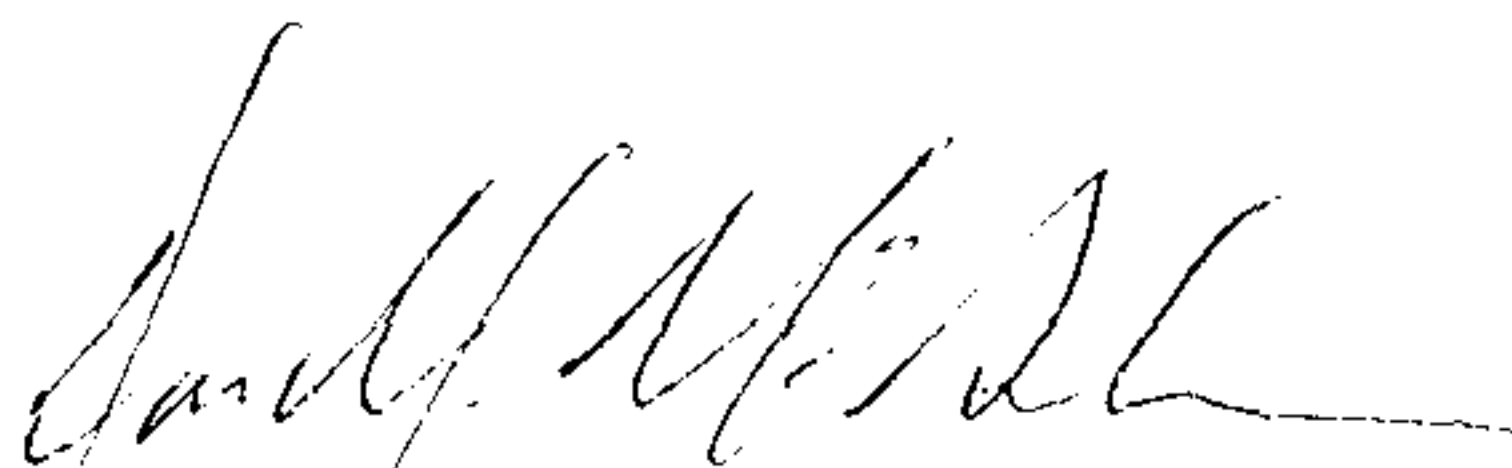
DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

ACCOUNTANT'S COMPILATION REPORT

Honorable Michael Hilton
Ruston City Marshal's Office
P.O. Box 1582
Ruston, LA 71270

I have compiled the accompanying general purpose financial statements of the Ruston City Marshal's Office, a component unit of the City of Ruston, as of and for the year ended September 30, 1998, as listed in the table of contents, 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. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Don M. McGehee
Certified Public Accountant
November 17, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS--OVERVIEW)**

RUSTON CITY MARSHAL'S OFFICE

COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUP SEPTEMBER 30, 1998

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Totals (Memoran- dum Only)</u>
	<u>General</u>	<u>Agency</u>	<u>General Fixed Assets</u>	
ASSETS				
Cash	\$ 49,194	\$ 12,175	\$ 0	\$ 61,369
Certificates of Deposit	30,262	0	0	30,262
Equipment	<u>0</u>	<u>0</u>	<u>87,472</u>	<u>87,472</u>
TOTAL ASSETS	<u>\$ 79,456</u>	<u>\$ 12,175</u>	<u>\$ 87,472</u>	<u>\$ 179,103</u>
LIABILITIES AND EQUITY				
LIABILITIES:				
Accrued Liabilities	\$ 225	\$ 0	\$ 0	\$ 225
Bonds Held for Future Disposition	0	5,750	0	5,750
Undisbursed Fines and Court Costs	<u>0</u>	<u>6,425</u>	<u>0</u>	<u>6,425</u>
TOTAL LIABILITIES	<u>225</u>	<u>12,175</u>	<u>0</u>	<u>12,400</u>
FUND EQUITY:				
Investment in General Fixed Assets	0	0	87,472	87,472
Fund Balance--Unreserved and Undesignated	<u>79,231</u>	<u>0</u>	<u>0</u>	<u>79,231</u>
TOTAL FUND EQUITY	<u>79,231</u>	<u>0</u>	<u>87,472</u>	<u>166,703</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 79,456</u>	<u>\$ 12,175</u>	<u>\$ 87,472</u>	<u>\$ 179,103</u>

See accountant's compilation report.
See accompanying notes to financial statements.

RUSTON CITY MARSHAL'S OFFICE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE--GOVERNMENTAL FUND TYPE FOR THE YEAR ENDED SEPTEMBER 30, 1998 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1997

	1998	1997
REVENUES		
Bonding Fees	\$ 9,215	\$ 10,444
Commissions on Court Costs	50,906	60,279
Driving Course Fees	10,171	5,300
Home Incarceration Fees	12,394	19,635
Interest Income	4,580	3,929
On-Behalf Revenue	127,084	98,603
Other Fees	<u>972</u>	<u>672</u>
TOTAL REVENUES	<u>215,322</u>	<u>198,862</u>
 EXPENDITURES		
Capital Outlay--Equipment	20,229	3,935
Accounting Fees	2,300	2,600
Auto Expense-Deputies	3,104	4,584
Auto Expense-Marshal	2,618	2,730
Dues & Subscriptions	498	323
Equipment Repair and Maintenance	868	1,996
Insurance	300	250
Law Enforcement Supplies	2,008	1,112
Miscellaneous	416	79
Motorcycle Training	140	847
Office Supplies	5,140	7,307
On-Behalf Expenses	127,084	98,603
Payroll Taxes	651	374
Rent	360	360
Retirement	538	0
Salaries	34,942	28,885
School Seminars and Travel	2,577	6,442
Telephone & Utilities	6,333	5,559
Truck Expense	935	549
Uniforms	<u>1,450</u>	<u>1,060</u>
TOTAL EXPENDITURES	<u>212,491</u>	<u>167,595</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 2,831	 31,267
 FUND BALANCE--BEGINNING	 <u>76,400</u>	 <u>45,133</u>
 FUND BALANCE--ENDING	 <u>\$ 79,231</u>	 <u>\$ 76,400</u>

See accountant's compilation report.
See accompanying notes to financial statements.

RUSTON CITY MARSHAL'S OFFICE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- BUDGET (GAAP BASIS) AND ACTUAL--GOVERNMENTAL FUND TYPE GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Bonding Fees	\$ 8,954	\$ 9,215	\$ 261
Commissions on Court Costs	48,339	50,906	2,567
Driving Course Fees	9,556	10,171	615
Home Incarceration Fees	12,331	12,394	63
Interest Income	4,433	4,580	147
On-Behalf Payments	139,334	127,084	(12,250)
Other Fees	<u>882</u>	<u>972</u>	<u>90</u>
TOTAL REVENUES	<u>223,829</u>	<u>215,322</u>	<u>(8,507)</u>
EXPENDITURES			
Capital Outlay--Equipment	20,900	20,229	671
Accounting Fees	2,200	2,300	(100)
Auto Expense-Deputies	2,636	3,104	(468)
Auto Expense-Marshal	2,461	2,618	(157)
Dues & Subscriptions	562	498	64
Equipment Repair and Maintenance	884	868	16
Insurance	360	300	60
Law Enforcement Supplies	2,253	2,008	245
Miscellaneous	499	416	83
Motorcycle Training	168	140	28
Office Supplies	5,500	5,140	360
On-Behalf Expenses	139,334	127,084	12,250
Payroll Taxes	690	651	39
Rent	396	360	36
Retirement	550	538	12
Salaries	45,563	34,942	10,621
Schools, Seminars and Travel	2,742	2,577	165
Telephone & Utilities	6,380	6,333	47
Truck Expense	935	935	0
Uniforms	<u>1,740</u>	<u>1,450</u>	<u>290</u>
TOTAL EXPENDITURES	<u>236,753</u>	<u>212,491</u>	<u>24,262</u>
EXCESS OF REVENUES OVER EXPENDITURES	(12,924)	2,831	15,755
FUND BALANCE--BEGINNING	<u>50,434</u>	<u>76,400</u>	<u>25,966</u>
FUND BALANCE--ENDING	<u>\$ 37,510</u>	<u>\$ 79,231</u>	<u>\$ 41,721</u>

See accountant's compilation report.
See accompanying notes to financial statements.

RUSTON CITY MARSHAL'S OFFICE

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 1998

The Ruston City Marshal's Office was created by special legislative Act RS 13; 1952 (20). Its territorial jurisdiction extends throughout Lincoln Parish, Louisiana.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government. The accounting and reporting policies of the Ruston City Marshal's Office conform to these generally accepted accounting principles and the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants. The following is a summary of the more significant policies:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

For financial reporting purposes, in conformity with GASB Statement No. 14, the Ruston City Marshal's Office is a component unit of the City of Ruston. For the purposes of this financial report this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

B. Fund Accounting

The accounts of the Ruston City Marshal's Office are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. Ruston City Marshal's Office revenues are accounted for in these individual funds based upon the purpose 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 presented in this report into two generic fund types and two broad fund categories as follows:

Governmental Funds--

General Fund. The General Fund is the general operating fund of the Ruston City Marshal's Office. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds--

Agency Fund. The Agency Fund is used to account for assets held by the Ruston City Marshal's Office as an agent for individuals and private organizations. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. At any given point in time, total Agency Fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held by the Ruston City Marshal's Office. Agency Funds have no fund equity. Agency Funds do not have GAAP operations or GAAP operating statements.

See accountant's compilation report.

RUSTON CITY MARSHAL'S OFFICE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. No depreciation is recorded on general fixed assets. General fixed assets are recorded as expenditure in the governmental fund type when purchased.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General Fund uses 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 be used to pay liabilities of the current period. A sixty day availability period is used for revenue recognition for all revenues. Interest revenues are susceptible to accrual. Commissions and fees are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized when the related fund liability is incurred.

D. Budgetary Practices

The Ruston City Marshal's Office prepared an operating budget on its general fund for the year ended September 30, 1998, as required by generally accepted accounting principles as applicable to governmental units. The operating budget is monitored by management and amended throughout the year as necessary. The amended budget for the General Fund is presented in the Statement of Revenue, Expenditures, and Changes in Fund Balance--Budget and Actual. No budgets are necessary on Agency Funds of the Ruston City Marshal's Office as these funds are of a custodial nature.

Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, interest bearing demand deposits, and time deposits with original maturities of three months or less from the date of acquisition. 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. Deposits are carried at cost which approximates market value.

See accountant's compilation report.

RUSTON CITY MARSHAL'S OFFICE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Vacation and Sick Leave

Vacation and sick leave are noncumulative. There are no accumulated and vested benefits relating to vacation and sick leave that require accrual or disclosure at year end.

G. Total Columns on the Combined Statement

The total columns on the combined statement is captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

H. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the financial position and operations. Certain amounts for 1997 have been reclassified to conform to the 1998 presentation.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, interest bearing demand deposits and time deposits. At September 30, 1998, the carrying amount of deposits was \$ 91,431 and there was \$ 200 in a petty cash fund. The bank balance for the deposits was \$148,072. The bank balance was covered by federal depository insurance.

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets during 1998 is as follows:

	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/98</u>
Equipment	<u>\$ 75,307</u>	<u>\$ 20,229</u>	<u>\$ 8,064</u>	<u>\$ 87,472</u>
Totals	<u>\$ 75,307</u>	<u>\$ 20,229</u>	<u>\$ 8,064</u>	<u>\$ 87,472</u>

See accountant's compilation report.

RUSTON CITY MARSHAL'S OFFICE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 1998

NOTE 4- RETIREMENT COMMITMENTS

Ruston City Marshal's Office employees are paid through the City of Ruston and are therefore covered under the City's retirement program. The City of Ruston participates in the Municipal Employees' Retirement System of Louisiana. The Marshal's Office pays its employees supplemental wages which are eligible for a voluntary Section 457 deferred compensation plan with the Louisiana Public Employees' Deferred Compensation Plan.

NOTE 5 - ON-BEHALF PAYMENTS

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

	<u>1998</u>	<u>1997</u>
Salaries	\$ 101,270	\$ 77,736
Fringe Benefits	<u>25,814</u>	<u>20,867</u>
Totals	<u>\$ 127,084</u>	<u>\$ 98,603</u>

Fringe benefits paid by the City of Ruston include pension plan contributions to the Municipal Employees' Retirement System of Louisiana.

NOTE 6 - FIDUCIARY FUND

The Ruston City Marshal's Office collects cash bail bonds posted by citizens arrested for criminal offenses or their bondsman. These cash bail bonds are held until final disposition of the respective case involved or until such time as ordered forfeited by the court. When a final disposition of a case is made, the cash bail bond is returned to the citizen or bondsman that posted the bond. In the case of a bond that has been ordered forfeited by the court, the cash bail is disbursed to the Marshal's Fine and Court Cost Fund for further disbursement as provided by law. The cash bond fund is used to account for the collection and ultimate disposition of these cash bail bonds. A summary of changes in assets and liabilities are as follows for the year ended September 30, 1998:

<u>Cash Bond Fund</u>	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/98</u>
ASSETS				
Cash	\$ <u>2,250</u>	\$ <u>12,280</u>	\$ <u>8,780</u>	\$ <u>5,750</u>
TOTAL ASSETS	<u>\$ 2,250</u>	<u>\$ 12,280</u>	<u>\$ 8,780</u>	<u>\$ 5,750</u>
LIABILITIES				
Bonds Held for Future Disposition	\$ <u>2,250</u>	\$ <u>12,150</u>	\$ <u>8,650</u>	\$ <u>5,750</u>
TOTAL LIABILITIES	<u>\$ 2,250</u>	<u>\$ 12,150</u>	<u>\$ 8,650</u>	<u>\$ 5,750</u>

See accountant's compilation report.

RUSTON CITY MARSHAL'S OFFICE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 1998

NOTE 6 - FIDUCIARY FUND (Continued)

The Ruston City Marshal's Office collects fines and court costs received from violators of misdemeanor charges and forfeited cash bail bonds. City fines are disbursed to the City of Ruston and state fines are disbursed to the Lincoln Parish Police Jury. Court costs are disbursed to various agencies including the Marshal's General Fund for criminal court cost as provided by law. The fine and court cost fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities are as follows for the year ended September 30, 1998:

Fines and Court Costs Fund

	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/98</u>
ASSETS				
Cash	\$ <u>(238)</u>	\$ <u>410,011</u>	\$ <u>409,773</u>	\$ <u>0</u>
TOTAL ASSETS	\$ <u>(238)</u>	\$ <u>410,011</u>	\$ <u>409,773</u>	\$ <u>0</u>
LIABILITIES				
Undisbursed Fines and Court Costs	\$ <u>(238)</u>	\$ <u>408,700</u>	\$ <u>408,462</u>	\$ <u>0</u>
TOTAL LIABILITIES	\$ <u>(238)</u>	\$ <u>408,700</u>	\$ <u>408,462</u>	\$ <u>0</u>

The Ruston City Marshal's Office collects court ordered wage garnishments, receives proceeds from Marshal's sales (of court ordered seized property) and of sequestrations (of court ordered seized property). Receipts, after paying the costs associated with the garnishment, sale, or sequestration, are disbursed to the plaintiff or the plaintiff's attorney as provided by law. The civil fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities are as follows for the year ended September 30, 1998:

<u>Civil Fund</u>	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>09/30/98</u>
ASSETS				
Cash	\$ <u>297</u>	\$ <u>372,207</u>	\$ <u>366,079</u>	\$ <u>6,425</u>
TOTAL ASSETS	\$ <u>297</u>	\$ <u>372,207</u>	\$ <u>366,079</u>	\$ <u>6,425</u>
LIABILITIES				
Undisbursed Garnishments	\$ <u>297</u>	\$ <u>371,349</u>	\$ <u>365,221</u>	\$ <u>6,425</u>
TOTAL LIABILITIES	\$ <u>297</u>	\$ <u>371,349</u>	\$ <u>365,221</u>	\$ <u>6,425</u>

See accountant's compilation report.

RUSTON CITY MARSHAL'S OFFICE

NOTES TO FINANCIAL STATEMENTS (CONTINUED) SEPTEMBER 30, 1998

NOTE 7 - YEAR 2000 ISSUE

The Ruston City Marshal's Office is aware of the Year 2000 issue and that it could affect the operations of the computers used in the office. There has been no formalized plan or budget adopted to deal with the year 2000 issue at this time.

See accountant's compilation report.

AGREED-UPON PROCEDURES

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Honorable F. Michael Hilton
Ruston City Marshal's Office
P.O. Box 1582
Ruston, Louisiana 71273

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Ruston City Marshal's Office and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Ruston City Marshal's compliance with certain laws and regulations during the year ended September 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, I 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, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was one expenditure made during the year for equipment exceeding \$15,000, which was purchased in compliance with the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of the Ruston City Marshal as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Ruston City Marshal, as well as his immediate family.

Management provided me 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 me 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 [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget and the budget and the budget amendments made during the year.

6. Trace the budget adoption and amendments to the minute book.

The Ruston City Marshal is an independently elected official and does not hold meetings or maintain a minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues and expenditures exceed budget by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the fiscal year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

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

I examined supporting documentation for all six 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 six payments were 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 approval from the marshal.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 - 12 (the open meetings law).

The Ruston City Marshal is an independently elected official and does not hold meetings.

Debt

10. 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.

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

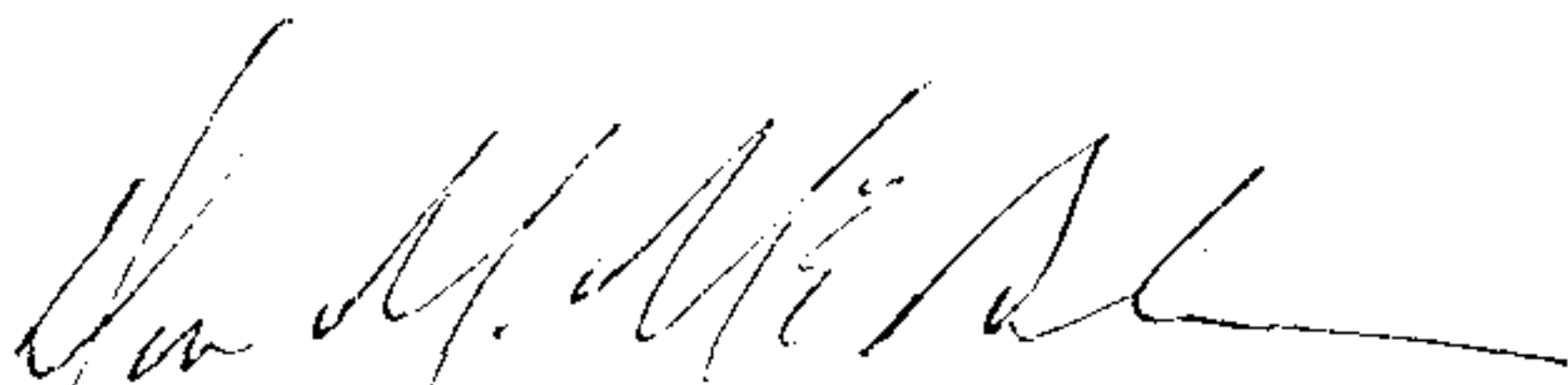
Advances and Bonuses

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

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

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Ruston City Marshal's Office and the Legislative Auditor, 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.



Don M. McGehee
Certified Public Accountant
November 17, 1998

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 [X] No []

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

Yes [X] No []

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

Yes [X] No []

Meetings

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

Yes [X] No []

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 [X] 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 [X] 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.

F. Michael Hilton Secretary November 17, 1998 Date
 F. Michael Hilton, Ruston City Marshal
 _____ Treasurer _____ Date
 _____ President _____ Date