

WARD THREE MARSHAL -
CITY OF LAKE CHARLES, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2003

Under provisions of statute, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-04

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INDEPENDENT AUDITORS' REPORT

Honorable Anthony S. Mancuso, Jr.
Ward Three Marshal - City of Lake Charles, Louisiana
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Ward Three 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 U.S. 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. Those 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 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 the Ward Three Marshal, as of December 31, 2003, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2004, on our consideration of the Ward Three Marshal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

June 25, 2004

West Three Municipal - City of Lake Charles, Louisiana

COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUP

December 31, 2003

	Governmental	Fiduciary	Account	Totals (Minority Only)
	Fund Type	Fund Type	Group	
	General Fund	Agency Funds	General Fixed Assets	
ASSETS				
Cash	\$ 102,689	\$ 51,415	\$ -	\$ 154,104
Receivables - current	8,555	-	-	8,555
Fixed assets	-	-	117,841	117,841
Due from other funds	8,557	-	-	8,557
TOTAL ASSETS	\$ 120,201	\$ 51,415	\$ 117,841	\$ 289,457
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 1,103	\$ -	\$ -	\$ 1,103
Accrued liabilities	1,109	-	-	1,109
Due to others	-	41,862	-	41,862
Due to other funds	-	8,553	-	8,553
Total liabilities	2,212	50,415	-	52,627
FUND EQUITY AND OTHER CREDITS				
Investment in general				
Fixed assets	-	-	117,841	117,841
Fund balances:				
Unreserved and				
undesignated	118,001	-	-	118,001
Total fund equity and other	118,001	-	117,841	235,842
TOTAL LIABILITIES, FUND EQUITY	\$ 119,877	\$ 51,415	\$ 117,841	\$ 289,133
AND OTHER CREDITS				

See accompanying notes to the general purpose financial statements.

Ward Three-Member - City of Lake Charles, Louisiana

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

For the Year Ended December 31, 2003

REVENUES		
Court fees	\$	198,200
Intergovernmental		85,000
Shared commissions from agency funds		31,000
Reserve		5,000
Warrant		1,000
Other		<u>28,900</u>
		349,100
EXPENDITURES		
General government:		
Advertisement		100
Automobile		10,000
Computer expense		1,000
Dues and subscriptions		6,000
Equipment rental		1,000
Equipment repair		100
E-V		100
Law enforcement supplies		3,000
Legal and professional		3,700
Meals and travel		3,000
Miscellaneous		5,000
Office supplies		6,000
Outside services		6,000
Payroll taxes		12,000
Postage		6,000
Telephone		3,000
Training and education		2,000
Uniforms		6,000
Wages		<u>187,300</u>
Debt service:		
Interest		10
Principal		500
Capital outlay		<u>8,000</u>
Total expenditures		<u>347,000</u>
EXCESS OF REVENUES OVER EXPENDITURES		22,100
Fund balance at beginning of year		<u>40,000</u>
Fund balance at end of year	\$	<u>62,100</u>

See accompanying notes to the general purpose financial statements.

West Tiger Medical - City of Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND

For the Year Ended December 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Cost fees	\$ 300,000	\$ 198,250	\$ (1,100)
Intergovernmental	11,000	11,000	(1,000)
Marital/commissions from agency funds	40,000	31,350	(8,000)
Rentals	-	3,000	3,000
Waters	-	3,000	3,000
Other	11,000	28,000	3,000
	<u>362,000</u>	<u>274,600</u>	<u>(2,100)</u>
EXPENDITURES			
General government:			
Advertisement	-	700	(100)
Accessibility	11,000	19,250	3,442
Computer expense	1,000	1,100	(100)
Dues and subscriptions	4,000	4,100	(100)
Equipment rental	3,000	3,000	0
Equipment repair	1,000	100	800
E-9	-	100	(100)
Law enforcement supplies	3,000	3,400	(400)
Legal and professional	2,000	3,700	(2,700)
Meals and travel	4,000	3,500	400
Miscellaneous	1,000	3,410	(100)
Office supplies	10,000	9,070	700
Outside services	4,000	3,010	800
Payroll taxes	11,000	12,400	100
Pension	7,000	6,400	700
Telephones	2,000	2,200	(200)
Training and education	2,000	3,700	(700)
Utilities	4,000	6,200	(200)
Wages	190,000	187,250	2,700
State services:			
Interest	-	10	(10)
Personal	1,000	300	400
Capital outlay	<u>10,000</u>	<u>0,000</u>	<u>1,000</u>
Total expenditures	<u>285,000</u>	<u>282,000</u>	<u>3,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	80,000	82,000	3,000
Fund balance at beginning of year	<u>0,000</u>	<u>0,000</u>	<u>-</u>
Fund balance at end of year	\$ 80,000	\$ 82,000	\$ 2,000

See accompanying notes to the general purpose financial statements.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the General Purpose Financial Statements

INTRODUCTION

As provided by Louisiana state statute, the Ward Three Marshal serves a six-year term as the executive officer of the City Court of Lake Charles, Louisiana. The Marshal's responsibilities include executing the orders and mandates and serving subpoenas of the City Court, as well as enforcing state and local laws and ordinances within the territorial boundaries of Ward Three of Calcasieu Parish, Louisiana. The Marshal also collects and disburses garnishments of wages, cash bonds, and installment payments of fines under orders of the City Court.

Most of the operations of the Marshal's Office is funded by the City of Lake Charles. The City pays the salaries of the regular deputy marshals, funds most of the operating expenditures, and provides the Marshal with office space. Such expenditures are included in the general fund of the City of Lake Charles and are not included in these component unit financial statements. These financial statements include expenditures funded from other sources such as court fees, warrant fees, and intergovernmental revenues such as the contract with Lake Charles Regional Airport for security services. Also included in these financials are certain agency fees that are maintained by the Marshal.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements of the Ward Three Marshal have been prepared in conformity with generally accepted accounting principles (GAAP) as applied in governmental 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

The Marshal is an independently elected official; however, the Marshal is fiscally dependent on the City of Lake Charles. The City maintains and operates the city courthouse as well as pays the salaries of the Marshal and most of his personnel. Because the Marshal is fiscally dependent on the City, the Marshal was determined to be a component unit of the City of Lake Charles, Louisiana, the financial reporting entity.

The accompanying general purpose 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 governmental unit, or the other governmental units that comprise the financial reporting entity.

2. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net reportable available financial resources.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the General Purpose Financial Statements (Continued)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Funds of the Marshal are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

General Fund

The General Fund is the principal fund of the Marshal's office and accounts for the operations of the Marshal's office. The Marshal's primary source of revenue is court fees from the City Court of Lake Charles. Other sources of revenue include commissions for collecting money on execution of orders of seizure and sale and execution of writs. General operating expenditures are paid from this fund.

Agency Funds

The agency funds are used as depositories for gas interests and fines collected, cash bonds, sales proceeds of seized assets, et cetera. Disbursements from these funds are made to various City agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

3. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of current financial resources measurement focus. The accompanying general purpose financial statements have been prepared on the modified basis of accounting. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Court fees are received in the month following collection by the City Court. The Marshal recognizes court fee revenues during the month they are collected by the City Court. Payroll reimbursements by Lake Charles Regional Airport are recognized when the related payroll expenditure is incurred.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the General Purpose Financial Statements (Continued)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Expenditures

Expenses are recorded when paid. Purchases of capital assets and other goods and services are recorded when those goods or services have been delivered. Principal and interest on general long-term obligations are recognized when due.

4. Budgets

The Ward Three Marshal adopted a budget for the year ended December 31, 2003, on a GAAP basis.

5. Cash

Cash includes amounts in demand deposit accounts in local banks. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks recognized 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 (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 in a building or collateral bank that is mutually acceptable to both parties. At December 31, 2003, the Marshal has \$148,265 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and securities pledged as collateral by the fiscal agent bank (GAAP Category 3).

6. Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

7. Use of Estimates

The preparation of general purpose financial statements in conformity with generally accepted accounting principles requires the Marshal to make significant estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the general purpose financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results may differ from these estimates.

Ward Three Marshal – City of Lake Charles, Louisiana
Notes to the General Purpose Financial Statements (Continued)

NOTE B – CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance at Beginning of Year	Additions	Retirements	Balance at End of of Year
Automobiles	\$ 28,768	\$ 8,295	\$(12,748)	\$ 24,315
Furniture and fixtures	7,292	208	-	7,500
Radio equipment	26,437	-	-	26,437
Equipment	<u>61,497</u>	<u> </u>	<u> </u>	<u>64,252</u>
	\$141,852	\$ 8,503	\$(12,748)	\$137,607

NOTE C – GENERAL LONG-TERM DEBT

The Marshal entered into a capital lease for equipment with a cost of \$7,990 during 1998. Monthly payments of \$234 includes a maintenance fee of \$15. The interest rate on the lease is 10%. Upon final payment in April 2003, ownership of the equipment reverts to the Marshal. The related equipment has been recorded in the general fixed assets account group.

The following is a summary of the changes in the general long term debt account group for the year ended December 31, 2002:

	Balance at Beginning of Year	Additions	Retirements	Balance at End of of Year
Capital lease	\$ 794	\$ -	\$(794)	\$ -

NOTE D – CHANGES IN AGENCY FUND DUE TO OTHERS

A summary of changes in agency fund due to others for the year ended December 31, 2002 as follows:

	Balance at Beginning of Year	Additions	Disbursements	Balance at End of of Year
Guarantees fund	\$ 47,672	\$ 458,728	\$(370,834)	\$ 135,566
Board fund	15,725	9,785	(19,910)	5,600
Retirees fund	-	9,677	(9,677)	-
Violations fund	<u>13,664</u>	<u>9,238</u>	<u>(15,208)</u>	<u>7,694</u>
	\$ 77,061	\$ 477,428	\$(395,629)	\$ 158,860

Ward Thoss Marshal – City of Lake Charles, Louisiana

Notes to the General Purpose Financial Statements (Continued)

NOTE E – COMMISSIONS

In accordance with state statute, the Marshal receives a commission of six percent of forfeitures and other collections related to orders of the City Court as part of his compensation. The Marshal also receives six percent of the proceeds of sales of seized property as part of his compensation. During the year ended December 31, 2005, commissions paid to the Marshal from the related agency funds totaled \$ 53,870.

NOTE F – COMMITMENTS AND CONTINGENCIES

In March 2008, the Marshal entered into a joint services agreement with Lake Charles Regional Airport (LCRA) whereby the Marshal would provide security at LCRA and would be fully reimbursed by LCRA for the salaries and benefits of security personnel. Such reimbursements totaled \$11,798 during 2005 and are included in intergovernmental revenues. The agreement with LCRA was terminated in 2007.

The Marshal is covered for substantially all business risks under the risk management programs of the City of Lake Charles.



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INDEPENDENT AUDITORY REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

Honorable Anthony S. Mancuso, Jr.
Ward Three Marshal – City of Lake Charles, Louisiana
Lake Charles, LA

We have audited the financial statements of the Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 15, 2006. 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 the Ward Three Marshal's general purpose 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ward Three Marshal's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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 over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of Ward Three Marshal's management, the City of Lake Charles, and the Legislative Auditors. However, this report is a matter of public record and its distribution is not limited.

Lake Charles, LA
June 15, 2006

Ward Three Mandat – City of Lake Charles, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2003

We have audited the general purpose financial statements of Ward Three Mandat – City of Lake Charles, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 23, 2004. We conducted our audit in accordance with U.S. 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 general purpose financial statements as of December 31, 2003, resulted in an unqualified opinion.

Section I. Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the General Purpose Financial Statements disclosed no material weaknesses or reportable conditions regarding internal control or any instances of non-compliance material to the general purpose financial statements.

Section II. Financial Statement Findings

None

Section III. Federal Award Findings and Questioned Costs

Not applicable.

Ward Three Marshal - City of Lake Charles, Louisiana

SCHEDULE OF PRIOR YEAR FINDINGS

December 31, 2003

2002-1 Unidentifiable Agency Fund Balances.

Finding. As disclosed in the Schedule of Findings and Questioned Costs in the prior year, the Ward Three Marshal has accounts totaling approximately \$30,000 in its agency funds bank accounts in excess of what is indicated in the Marshal's records.

Recommendation. The Marshal should confer with appropriate authorities about what to do with these funds.

Corrective Action Taken. Under order of the City Court, these excess funds were transferred to the Marshal's General Fund.

2002-2 Employee Advance.

Finding. There was an advance of \$750 made to an employee during the year, which is not allowed by state law.

Recommendation. The Marshal should not make advances to employees.

Management Response. This advance was repaid by the employee during 2003.