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CITY COURT OF MARKSVILLE
Marksville, Louisiana

Financial Report

Six Months Ended 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 **JAN 3 1999**

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INDEPENDENT AUDITORS' REPORT

The Honorable Angelo J. Piazza III, Judge
City Court of Marksville
Marksville, Louisiana

We have audited the accompanying general purpose financial statements of the City Court of Marksville, Louisiana, as of and for the six months ended June 30, 1998. These general purpose financial statements are the responsibility of the judge of the City Court of Marksville, Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Marksville, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 1998, on our consideration of the City Court of Marksville's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the

general purpose financial statements of the City Court of Marksville. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
October 26, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

City Court of Marksville
Marksville, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1998

	Governmental Fund Type Special Revenue	Fudiciary Fund Type Agency Funds	Account Groups		Totals (Memorandum Only)
			General Fixed Assets	General Long- Term Debt	
ASSETS AND OTHER DEBITS					
Cash	\$ 3,175	\$10,130	\$ -	\$ -	\$13,305
Due from other funds	558	100	-	-	658
Equipment	-	-	8,727	-	8,727
Amount to be provided for retirement of general long-term debt	-	-	-	12,453	12,453
Total assets and other debits	\$ 3,733 =====	\$10,230 =====	\$8,727 =====	\$12,453 =====	\$ 35,143 =====
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 14,792	\$ -	\$ -	\$ -	\$ 14,792
Due to other funds	564	94	-	-	658
Payroll taxes payable	1,921	-	-	-	1,921
Advance deposits payable	-	9,895	-	-	9,895
Garnishment payable	-	241	-	-	241
Notes payable	-	-	-	2,895	2,895
Estimated delinquent payroll taxes, interest and penalties	-	-	-	9,558	9,558
Total liabilities	17,277	10,230	-	12,453	39,960
Fund equity and other credits (deficit):					
Fund balance - unreserved, undesignated	(13,544)	-	-	-	(13,544)
Investment in general fixed assets	-	-	8,727	-	8,727
Total fund equity and other credits	(13,544)	-	8,727	-	(4,817)
Total liabilities, fund equity and other credits	\$ 3,733 =====	\$10,230 =====	\$8,727 =====	\$12,453 =====	\$ 35,143 =====

The accompanying notes are an integral part of this statement.

City Court of Marksville
Marksville, Louisiana

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances -
All Governmental Fund Types
Six Months Ended June 30, 1998

Revenues:	
Bonds, fines and court costs	\$ 45,117
Miscellaneous	<u>282</u>
Total revenues	<u>45,399</u>
Expenditures:	
General government	39,936
Debt Service	<u>4,796</u>
Total expenditures	<u>44,732</u>
Excess of revenues over expenditures	<u>667</u>
Other financing sources (uses):	
Operating transfers in	240
Operating transfers out	<u>(240)</u>
Total other financing sources (uses)	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	667
Fund balance (deficit), beginning	<u>(14,211)</u>
Fund balance (deficit), ending	\$ (13,544) =====

The accompanying notes are an integral part of this statement.

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies -

The City Court of Marksville (City Court) was created under the authority of Chapter 7 of Title 13 of the Louisiana Revised Statutes (LRS). The statutes provide for the territorial jurisdiction, powers, authority, functions, election or appointment, tenure, and compensation of the judge, clerk, and marshal or constable of the various city courts throughout the state. The City Court's criminal jurisdiction, as provided by LRS 13:1894, is limited to the trial of offenses committed within its territorial jurisdiction that are not punishable by imprisonment at hard labor, including the trial of cases involving the violation of any city or parochial ordinance. In addition, the judge may also require bonds to keep the peace; issue warrants of arrest; examine, commit, and admit to bail and discharge; and hold preliminary examinations in all cases not capital. The City Court's civil jurisdiction, as provided by LRS 13:1891, is provided in the applicable provisions of the Louisiana Code of Civil Procedure.

The city judge, as provided by LRS 13:1872, is elected for a term of six years and, except as otherwise provided in LRS 13:1875, receives an annual salary payable monthly by the City of Marksville and the Avoyelles Parish Police Jury. As provided by LRS 13:1879, the city clerk is appointed by the city judge and serves at the pleasure of the judge until a successor is appointed. The clerk is responsible for maintaining the minute entries of the court, a docket of all proceedings in civil and criminal matters, and additional duties enumerated by law.

The city marshal, as provided by LRS 13:1879, is elected for a term of six years and receives an annual salary as enumerated in LRS 13:1883. The marshal is the executive officer of the court and executes the orders and mandates of the court, makes arrest and preserves the peace.

The City Court has special provisions that are enumerated under LRS 13:2488.51-59. These statutes govern the court's rules of conduct, salary and city judge's fees, salaries of the marshal and clerk, collection of fines, forfeitures, penalties and costs, and cost of criminal matters.

The accounting and reporting policies of the City Court of Marksville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the requirements set forth in the industry audit guide, Audits of State and Local Governmental Units.

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the City Court includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the city judge and marshal as independently elected officials. The authority of the City Court, its operations and legal responsibility, is autonomous from that of the City of Marksville.

B. Fund Accounting

The accounts of the City Court of Marksville are organized on the basis of funds and account groups, 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, revenues, and expenditures. 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 two generic fund types and two broad fund categories as follows:

Governmental Funds -

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Funds -

Agency Funds

The agency funds account for assets held by the City Court in a custodial capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

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 fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Fines and court costs are recognized when the court is entitled to the funds (1) when the defendant has entered a guilty plea and agreed to forfeit the bond, or (2) when the court has found the defendant guilty of the charged offense and has ordered the defendant to pay the appropriate fine and cost of the court.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

E. Budgetary Practice

Louisiana Revised Statute 39:1301 specifically states that only judicial expense funds (for judges) are to adopt budgets. Other funds of judges (city courts) are not required to adopt budgets. Therefore, budgeted figures are not reported in this financial report.

F. Accumulated Unpaid Vacation, Sick-Pay and Other Employee Benefits

Employees of the City Court of Marksville are not covered under any specific sick-leave policy. Employees are granted 10 days of vacation leave annually. It is the City Court's policy that unused compensated absences lapse at the end of each year. Therefore, no accruals for accumulated unused compensated absences have been made in these general purpose financial statements.

G. 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 or results of operations, 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.

(2) Cash Balances

At June 30, 1998, the City Court of Marksville has cash balances (book balances) totaling \$13,305.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owed by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) held by financial institutions for the City Court at June 30, 1998 of \$17,062 were insured by the Federal Deposit Insurance Corporation (FDIC).

CITY COURT OF MARKSVILLE
 Marksville, Louisiana

Notes to Financial Statements (Continued)

(3) Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental fund type:		
Special revenue funds -		
Civil court maintenance	\$ -	\$ 100
Criminal court operating	464	-
City court marshall	19	464
City court police officers witness	75	-
Fiduciary fund type:		
Agency Fund -		
Civil court	100	-
Criminal court bonds and fines	-	94
	\$ 658	\$ 658
	=====	=====

(4) Changes in General Fixed Asset

A summary of changes in general fixed assets follows:

	<u>Furniture and Equipment</u>
Balance, December 31, 1997	\$8,727
Additions	-
Reductions	-
Balance, June 30, 1998	\$8,727
	=====

Because there were insufficient accounting records from the prior administration of the Marksville City Court and no original purchase documents were available for determining the cost or age of general fixed assets purchased under that administration, \$8,727 of office furniture and equipment was estimated by physically inspecting the condition of the equipment and furniture and using acquisition costs of like equipment and furniture.

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

(5) Changes in General Long-Term Debt

The City Court of Marksville's general long-term obligations consist of the following at June 30, 1998:

\$10,115 note to bank; dated August 15, 1996; due in monthly installments of \$453 beginning September 15, 1996, to August 15, 1998, at an interest rate of 7.0%	\$ 907
\$5,030 note to bank; dated March 21, 1997, due in monthly installments of \$229 beginning April 25, 1997, to March 25, 1999, at an interest rate of 8.5%	<u>1,988</u>
Total notes payable	2,895
Department of the Treasury, Internal Revenue Service, notice dated November 29, 1993, Form 941, tax period December 31, 1989, penalty and interest assessed only through 1993	<u>9,558</u>
Total general long-term obligations	\$12,453 =====

The following is a summary of the long-term debt transactions for the year ended June 30, 1998:

	<u>Notes Payable</u>	<u>Estimated Delinquent Payroll taxes, interest and penalties</u>	<u>Totals</u>
Balances, December 31, 1997	\$ 7,421	\$9,558	\$16,979
Additions	-	-	-
Deletions	<u>(4,526)</u>	<u>-</u>	<u>(4,526)</u>
Balances, June 30, 1998	\$ 2,895 =====	\$9,558 =====	\$12,453 =====

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

The annual requirements to retire notes payable as of June 30, 1998, including interest payments of \$81 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$2,895	\$81	\$2,976
	=====	===	=====

(6) Retirement Commitment

All employees of the city court participate in the social security retirement system except for the city judge who participates in the Louisiana State Employees' Retirement System.

Louisiana State Employees' Retirement System

The City Court judge participates in the Louisiana State Employees' Retirement System (the System), a cost-sharing multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804.

Plan members are required to contribute 12.0 percent of their annual covered salary and the City Court is required to contribute at the statutory rate of 13.0% through June 1998, and 12.4% thereafter of the annual covered payroll. The City Court's contributions to the system for the six months ended June 30, 1998, and for the year ended December 31, 1997, and 1996, were \$780, \$1,578, and \$384, respectively, equal to the required contribution for each period.

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

(7) Changes in Agency Fund Assets and Liabilities

A summary of changes in Agency Fund assets and liabilities follows:

	Balances January 1, <u>1998</u>	<u>1998</u>		Balances June 30, <u>1998</u>
		<u>Additions</u>	<u>Deductions</u>	
<u>Civil Court Fund</u>				
Assets				
Cash	\$10,763	\$14,910	\$15,878	\$9,795
Due from other funds	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total assets	\$10,863 =====	\$14,910 =====	\$15,878 =====	\$9,895 =====
Liabilities				
Advance civil fees	\$10,863	\$ 4,472	\$ 5,440	\$9,895
Due to city court maintenance fund	-	940	940	-
Due to city judge	-	6,196	6,196	-
Due to city marshall	-	929	929	-
Due to judge's supplemental fund	-	1,724	1,724	-
Due to other governmental agencies	<u>-</u>	<u>649</u>	<u>649</u>	<u>-</u>
Total liabilities	\$10,863 =====	\$14,910 =====	\$15,878 =====	\$9,895 =====

Civil Court Garnishment Fund

Assets				
Cash	\$ -	\$ 6,270	\$ 6,029	\$ 241
	=====	=====	=====	=====
Liabilities				
Garnishment payable	\$ -	5,899	5,658	241
Due to city marshall	<u>-</u>	<u>371</u>	<u>371</u>	<u>-</u>
Total liabilities	\$ - =====	\$ 6,270 =====	\$ 6,029 =====	\$ 241 =====

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Notes to Financial Statements (Continued)

	Balances January 1, <u>1998</u>	<u>1998</u>		Balances June 30, <u>1998</u>
		<u>Additions</u>	<u>Deductions</u>	
<u>Criminal Court Bonds and Fines Fund</u>				
Assets				
Cash	\$ - =====	\$61,815 =====	\$61,721 =====	\$ 94 =====
Liabilities				
Due to criminal court fund	\$ -	\$39,518	\$39,518	\$ -
Due to City of Marksville	-	3,692	3,692	-
Due to crime lab	-	3,210	3,210	-
Due to crime victim's fund	-	952	952	-
Due to law officer's training	-	548	548	-
Due to indigent defender board	-	6,850	6,850	-
Due to city court marshal fund	-	2,609	2,609	-
Due to city court police officer witness fund	-	2,050	2,050	-
Due to juvenile detention	-	2,018	2,018	-
Due to other funds	-	94	-	94
Other	-	274	274	-
Total liabilities	\$ - =====	\$61,815 =====	\$61,721 =====	\$ 94 =====

(8) Deficit Fund Balance

The Criminal Court Operating special revenue fund has a deficit fund balance of \$15,866 as of June 30, 1998. It is anticipated that the deficit will be funded by excess revenues in subsequent periods.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

SPECIAL REVENUE FUNDS

These funds account for revenues generated from assessments of court cost which are imposed in association with both criminal and civil cases heard by the court.

Civil Court Maintenance Fund - This fund is used to account for various maintenance and repair costs associated with the operation of the Civil Division of the City Court. Revenues consist of \$10 per each civil court case filed.

Criminal Court Operating Fund - This fund is used to account for various costs associated with the operations of both the Civil and Criminal Divisions of the City Court. Revenues consist of court costs levied in connection with the non-civil cases.

City Court Clerk's Fund - This fund is used to account for the City Court's Clerks' travel and convention costs. Revenues consist of court costs levied in connection with non-civil cases.

City Court Marshal's Fund - This fund is used to account for the Marshal's services associated with the Civil and Criminal Divisions of the City Court and various other costs associated with the operations of the Civil Division of the City Court, i.e. postage and utilities. Revenues consist of court costs levied in connection with civil and non-civil cases.

City Court Police Officers Witness Fund - This fund is used to account for payments to off-duty police officers for their testimonies in connection with civil and non-civil cases. Revenues consist of court costs levied in connection with non-civil cases.

City Court of Marksville
Marksville, Louisiana
Special Revenue Funds

Combining Balance Sheet
June 30, 1998

	<u>Civil Court Maintenance</u>	<u>Criminal Court Operating</u>	<u>City Court Clerk</u>	<u>City Court Marshall</u>	<u>City Court Police Officers Witness</u>	<u>Totals</u>
ASSETS						
Cash	\$ 627	\$ 383	\$ -	\$2,041	\$ 124	\$ 3,175
Due from other funds	<u>-</u>	<u>464</u>	<u>-</u>	<u>19</u>	<u>75</u>	<u>558</u>
Total assets	\$ 627	\$ 847	\$ -	\$2,060	\$ 199	\$ 3,733
	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ -	\$ 14,792	\$ -	\$ -	\$ -	\$ 14,792
Due to other funds	100	-	-	464	-	564
Payroll taxes payable	<u>-</u>	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,921</u>
Total liabilities	100	16,713	-	464	-	17,277
Fund balance (deficit):						
Unreserved, undesignated	<u>527</u>	<u>(15,866)</u>	<u>-</u>	<u>1,596</u>	<u>199</u>	<u>(13,544)</u>
Total liabilities and fund balance	\$ 627	\$ 847	\$ -	\$2,060	\$ 199	\$ 3,733
	=====	=====	=====	=====	=====	=====

City Court of Marksville
Marksville, Louisiana
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Six Months Ended June 30, 1998

	<u>Civil Court Maintenance</u>	<u>Criminal Court Operating</u>	<u>City Court Clerk</u>	<u>City Court Marshall</u>	<u>City Court Police Officers Witness</u>	<u>Totals</u>
Revenues:						
Bonds, fines, and court costs	\$ 940	\$ 39,518	\$ -	\$2,609	\$2,050	\$ 45,117
Miscellaneous	-	282	-	-	-	282
Total revenues	<u>940</u>	<u>39,800</u>	<u>-</u>	<u>2,609</u>	<u>2,050</u>	<u>45,399</u>
Current - general government:						
Insurance	-	388	\$ -	-	-	388
Office expense	-	1,380	-	-	74	1,454
Salaries	-	24,623	-	-	-	24,623
Payroll taxes	-	2,331	-	-	-	2,331
Contract labor	-	1,150	-	-	-	1,150
Witness fees	-	-	-	-	2,225	2,225
Dues and subscriptions	-	100	-	125	-	225
Repairs & Maintenance	220	-	-	1,801	-	2,021
Professional services	-	1,800	-	-	-	1,800
Utilities and telephone	-	2,431	-	-	-	2,431
Judge's retirement	-	780	-	-	-	780
Penalties and interest	-	307	-	-	-	307
Uniforms	-	-	-	103	-	103
Miscellaneous	20	-	-	60	18	98
Total general government	<u>240</u>	<u>35,290</u>	<u>-</u>	<u>2,089</u>	<u>2,317</u>	<u>39,936</u>
Debt service -						
Principal	-	4,526	-	-	-	4,526
Interest	-	270	-	-	-	270
Total debt service	<u>-</u>	<u>4,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,796</u>
Total expenditures	<u>240</u>	<u>40,086</u>	<u>-</u>	<u>2,089</u>	<u>2,317</u>	<u>44,732</u>
Excess (deficiency) of revenues over expenditures	<u>700</u>	<u>(286)</u>	<u>-</u>	<u>520</u>	<u>(267)</u>	<u>667</u>
Other financing sources (uses):						
Operating transfers in	-	240	-	-	-	240
Operating transfers out	<u>(240)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(240)</u>
Total other financing sources (uses)	<u>(240)</u>	<u>240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	460	(46)	-	520	(267)	667
Fund balance (deficit) beginning,	<u>67</u>	<u>(15,820)</u>	<u>-</u>	<u>1,076</u>	<u>466</u>	<u>(14,211)</u>
Fund balances (deficit), ending	<u>\$ 527</u>	<u>\$(15,866)</u>	<u>\$ -</u>	<u>\$1,596</u>	<u>\$ 199</u>	<u>\$(13,544)</u>

INTERNAL CONTROL, COMPLIANCE
AND OTHER INFORMATION

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Angelo J. Piazza, III, Judge
City Court of Marksville
Marksville, Louisiana

We have audited the general purpose financial statements of the City Court of Marksville, Louisiana, as of and for the six months ended June 30, 1998 and have issued our report thereon dated October 26, 1998. 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 City Court of Marksville, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Marksville, Louisiana'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. 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 operation that we consider to be material weaknesses.

This report is intended for the information of the judge of the City Court of Marksville, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville Louisiana
October 26, 1998

CITY COURT OF MARKSVILLE
Marksville, Louisiana

Schedule of Prior Year Findings
June 30, 1998

There were no findings and/or management comments mentioned in the December 31, 1997 audit that required follow-up procedures.