

WARD THREE MARSHAL –
CITY OF LAKE CHARLES, LOUISIANA

BASIC FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

Six Months Ended June 30, 2004

Under provisions of state law, 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 12-1-04

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
BASIC FINANCIAL STATEMENTS:	
GOVERNMENTAL FUNDS BALANCE SHEET/ STATEMENT OF NET ASSETS	4
STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/ STATEMENT OF ACTIVITIES	5
STATEMENT OF FIDUCIARY NET ASSETS	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (GAAP BASIS) – GENERAL FUND	13
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	15
SCHEDULE OF PRIOR PERIOD FINDINGS	16



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1825
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

MEMBERS OF -
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY
PUBLIC COMPANY
ACCOUNTING OVERSIGHT BOARD
CENTER FOR PUBLIC
COMPANY AUDIT FIRMS

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
MICHAEL F. CALLOURA
PHILLIP D. ABSHIRE, JR.
DAPHNE B. CLARK
J. AARON COOPER

INDEPENDENT AUDITORS' REPORT

Honorable Eric Authement
Interim Ward Three Marshal – City of Lake Charles, Louisiana
Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the six months ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Ward Three Marshal's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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.

Ward Three Marshal has not presented management discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Ward Three Marshal as of June 30, 2004, and the respective changes in financial position for the period then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 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.

The budgetary comparison information on page 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

November 1, 2004

Ward Three Marshal - City of Lake Charles, Louisiana

GOVERNMENTAL FUNDS BALANCE SHEET/
STATEMENT OF NET ASSETS

June 30, 2004

	General Fund	Adjustment (Note F)	Statement of Net Assets Governmental Activities
ASSETS			
Cash	\$ 158,334	\$ -	\$ 158,334
Receivables - court fees	17,070	-	17,070
Capital assets, net of accumulated depreciation	-	28,897	28,897
Due from other funds	26	-	26
TOTAL ASSETS	\$ 175,430	\$ 28,897	\$ 204,327
LIABILITIES			
Accounts payable	\$ 3,318	\$ -	\$ 3,318
Accrued liabilities	1,697	-	1,697
Due to others	-	-	-
Due to other funds	-	-	-
TOTAL LIABILITIES	5,015	-	5,015
FUND BALANCE			
Unreserved	170,415	-	170,415
TOTAL LIABILITIES AND FUND BALANCE	\$ 175,430		
NET ASSETS			
Invested in capital assets		28,897	28,897
TOTAL NET ASSETS		\$ 28,897	\$ 199,312

The accompanying notes are an integral part of this statement.

Ward Three Marshal - City of Lake Charles, Louisiana

STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

For the Six Months Ended June 30, 2004

	General Fund	Adjustment (Note F)	Statement of Activities Governmental Activities
EXPENDITURES/EXPENSES			
General government:			
Automobile	\$ 14,727	\$ -	\$ 14,727
Computer	3,087	-	3,087
Depreciation	-	4,686	4,686
Dues and subscriptions	1,224	-	1,224
Equipment rental	800	-	800
Equipment repair	178	-	178
Law enforcement supplies	320	-	320
Legal and professional	1,109	-	1,109
Meals and travel	3,863	-	3,863
Miscellaneous	1,334	-	1,334
Office supplies	3,539	-	3,539
Outside services	3,449	-	3,449
Payroll taxes	3,741	-	3,741
Pension	3,466	-	3,466
Telephone	4,015	-	4,015
Training and education	2,892	-	2,892
Uniforms	1,722	-	1,722
Wages	80,352	-	80,352
Capital outlay	10,110	(10,110)	-
Total expenditures	<u>139,928</u>	<u>(5,424)</u>	<u>134,504</u>
PROGRAM REVENUES			
Court fees	102,495	-	102,495
Intergovernmental	39,980	-	39,980
Marshal commissions from fiduciary activities	17,299	-	17,299
Reserve	3,322	-	3,322
Other	12,926	-	12,926
	<u>176,022</u>	<u>-</u>	<u>176,022</u>
EXCESS OF REVENUES OVER EXPENDITURES	36,094	5,424	41,518
FUND BALANCE/NET ASSETS			
Beginning of year	<u>134,321</u>	<u>23,473</u>	<u>157,794</u>
End of year	<u>\$ 170,415</u>	<u>\$ 28,897</u>	<u>\$ 199,312</u>

The accompanying notes are an integral part of this statement.

Ward Three Marshal - City of Lake Charles, Louisiana

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2004

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 40,865</u>
TOTAL ASSETS	<u><u>\$ 40,865</u></u>
LIABILITIES	
Due to others	40,839
Due to other funds	<u>26</u>
Total liabilities	<u><u>\$ 40,865</u></u>

The accompanying notes are an integral part of this statement.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the Basic 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.

Much 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, intergovernmental revenues, and fees from fiduciary activities. Also included in these financials are certain agency funds that are maintained by the Marshal.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Ward Three Marshal have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements—und Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. 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 basic 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 expendable available financial resources.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the Basic 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 garnishments 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.

3. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. *This approach is then reconciled, through adjustment, to a government-wide view of the Marshal's operations.*

The amounts reflected in the General Fund use 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 pay liabilities of the current period. *The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end.* Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due (there was no long-term debt outstanding during the year). The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Court fees and intergovernmental revenue are received in the month following collection by the City Court. The Marshal recognizes court fee revenue and intergovernmental revenue during the month they are collected by the City Court. *The Marshal recognizes fees from fiduciary activities in the period such fees are collected.*

Expenditures. Salaries 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.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets and the column labeled Statement of Activities display information about the Marshal as a whole. All financial activities of the Marshal are considered governmental activities. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Program revenues included in the column labeled Statement of Activities are derived as a fee for services; program revenues finance the cost of these services.

4. Budgets

The Ward Three Marshal adopted a budget for the year ended December 31, 2004, on a GAAP basis. The budget amounts shown in the required supplementary information reflect one-half the budgeted amounts for the entire year.

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 holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the Marshal has \$199,198 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 (GASB Category 3).

6. Capital Assets

Capital assets are recorded at historical cost and are reflected in the Statement of Net Assets net of accumulated depreciation. Depreciation expense is provided for on a straight-line basis using the following lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Equipment	5-7 years
Office furniture	5-7 years

7. Use of Estimates

The preparation of basic 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 basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the Basic Financial Statements (Continued)

NOTE B -- CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of of Period</u>
Automobiles	\$ 55,615	\$ 9,990	\$ -	\$ 65,605
Furniture and fixtures	7,292	-	-	7,292
Equipment	<u>74,934</u>	<u>120</u>	<u>-</u>	<u>75,054</u>
	137,841	10,110	-	147,951
Less accumulated depreciation:				
Automobiles	45,169	2,298	-	47,467
Furniture and fixtures	6,883	51	-	6,934
Equipment	<u>62,316</u>	<u>2,337</u>	<u>-</u>	<u>64,653</u>
	<u>114,368</u>	<u>4,686</u>	<u>-</u>	<u>119,054</u>
	<u>\$ 23,473</u>	<u>\$ 5,424</u>	<u>\$ -</u>	<u>\$ 28,897</u>

NOTE C -- CHANGES IN AGENCY FUND DUE TO OTHERS

A summary of changes in agency fund due to others for the six months ended June 30, 2004, is as follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Disbursements</u>	<u>Balance at End of of Period</u>
Garnishments fund	\$ 27,576	\$ 301,206	\$(299,029)	\$ 29,753
Bonds fund	5,600	1,100	(1,000)	5,700
Seizures fund	-	4,721	(3,292)	1,429
Violations fund	<u>9,686</u>	<u>1,500</u>	<u>(7,229)</u>	<u>3,957</u>
	<u>\$ 42,862</u>	<u>\$ 308,527</u>	<u>\$(310,550)</u>	<u>\$ 40,839</u>

NOTE D -- COMMISSIONS

In accordance with state statute, the Marshal receives a commission of six percent of garnishments 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 period ended June 30, 2004, commissions paid to the Marshal from the related agency funds totaled \$ 17,299.

NOTE E -- COMMITMENTS AND CONTINGENCIES

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

Ward Three Marshal – City of Lake Charles, Louisiana

Notes to the Basic Financial Statements (Continued)

NOTE F – CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2004, the Marshal implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*. The adjustment to reconcile beginning fund balance in the general fund to beginning government-wide net assets totaled \$23,473, which was the net book value of capital assets as of January 1, 2004.

The adjustments to the Statement of Net Assets as of June 30, 2004, reflects the inclusion of \$28,897 of capital assets, net of accumulated depreciation. The adjustments to the Statement of Activities for the six months ended June 30, 2004, remove capital expenditures of \$10,110 and add depreciation expense of \$4,686

REQUIRED SUPPLEMENTARY
INFORMATION

Ward Three Marshal - City of Lake Charles, Louisiana

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

For the Six Months Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Court fees	\$ 100,000	\$ 102,495	\$ 2,495
Intergovernmental	35,000	39,980	4,980
Marshal commissions from fiduciary activities	20,000	17,299	(2,701)
Reserve	-	3,322	3,322
Other	5,000	12,926	7,926
	<u>160,000</u>	<u>176,022</u>	<u>16,022</u>
EXPENDITURES			
General government:			
Automobile	10,500	14,727	(4,227)
Computer expense	500	3,087	(2,587)
Dues and subscriptions	3,000	1,224	1,776
Equipment rental	1,000	800	200
Equipment repair	500	178	322
Law enforcement supplies	1,500	320	1,180
Legal and professional	1,000	1,109	(109)
Meals and travel	4,000	3,863	137
Miscellaneous	2,500	1,334	1,166
Office supplies	5,000	3,539	1,461
Outside services	3,000	3,449	(449)
Payroll taxes	6,500	3,741	2,759
Pension	3,500	3,466	34
Telephone	2,500	4,015	(1,515)
Training and education	2,000	2,892	(892)
Uniforms	3,000	1,722	1,278
Wages	90,000	80,352	9,648
Debt service:			
Interest	-	-	-
Principal	500	-	500
Capital outlay	5,000	10,110	(5,110)
Total expenditures	<u>145,500</u>	<u>139,928</u>	<u>5,572</u>
EXCESS OF REVENUES OVER EXPENDITURES	14,500	36,094	21,594
Fund balance at beginning of year	<u>134,321</u>	<u>134,321</u>	<u>-</u>
Fund balance at end of year	<u>\$ 148,821</u>	<u>\$ 170,415</u>	<u>\$ 21,594</u>

The accompanying notes are an integral part of this statement.



Langley, Williams & Company, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
205 W. COLLEGE STREET
LAKE CHARLES, LOUISIANA 70605-1625
(337) 477-2827
1(800) 713-8432
FAX (337) 478-8418

MEMBERS OF -
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS
TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY
PUBLIC COMPANY
ACCOUNTING OVERSIGHT BOARD
CENTER FOR PUBLIC
COMPANY AUDIT FIRMS

LESTER LANGLEY, JR.
DANNY L. WILLIAMS
MICHAEL F. CALLOURA
PHILLIP D. ABSHIRE, JR.
DAPHNE B. CLARK
J. AARON COOPER

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

Honorable Eric Authement,
Interim 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 period ended June 30, 2004, and have issued our report thereon dated November 1, 2004. 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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance 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 basic 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 basic 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 Auditor. However, this report is a matter of public record and its distribution is not limited.

Lake Charles, LA
November 1, 2004

Ward Three Marshal – City of Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2004

We have audited the basic financial statements of Ward Three Marshal – City of Lake Charles, Louisiana, as of and for the six months ended June 30, 2004, and have issued our report thereon dated November 1, 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 basic financial statements as of June 30, 2004, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Basic Financial Statements disclosed no material weaknesses or reportable conditions regarding internal control or any instances of non-compliance material to the basic 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 PERIOD FINDINGS

June 30, 2004

There were no findings and questioned costs noted during the audits of the prior year financial statements in accordance with *Government Auditing Standards*.