

CITY MARSHAL OF SLIDELL

**Financial Statements as of December 31, 2011
and for the Year Then Ended
and Independent Accountants' Review Report
and Required Supplementary Information**

CITY MARSHAL OF SLIDELL

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Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

*Limited Liability Company

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Honorable Wyatt Williams, Marshal
City Marshal of Slidell
Slidell, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Slidell as of December 31, 2011 and for the year then ended, which collectively comprise the Marshal's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the City Marshal of Slidell. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the City Marshal of Slidell is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 19, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Effective January 1, 2011, the District adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the reporting of fund balance in the balance sheets of governmental fund types.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, we have issued a report dated June 15, 2012 on the results of our agreed-upon procedures for compliance with laws and regulations.

Silva Gurtner & Abney, LLC

June 15, 2012

**CITY MARSHAL OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board in their Statement No. 34. Its purpose is to provide an overview of the financial activities of the City Marshal of Slidell's (the Marshal's) office based on currently known facts and decisions of conditions. Please read it in conjunction with the Marshal's financial statements, which begin on page 6.

The basic financial statements include government-wide and governmental fund financial statements. The government-wide Statement of Net Assets and Statement of Activities and Changes in Net Assets present information for all the activities of the Marshal's office, from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office, the difference between these statements and governmental fund financial statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the governmental fund financial statements. The Balance Sheet – Governmental Fund details the assets and liabilities of the governmental fund while the Reconciliation of the Balance Sheet – Governmental Fund to the Statement of Net Assets reflects the differences from the amounts reported in the Statement of Net Assets. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund reflects the current year receipt and disbursement of funds and the Reconciliation of the Balance Sheet – Governmental Fund to the Statement of Net Assets and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund to the Statement of Activities and the differences in the changes in fund balance to the change in net assets of the government activities. The differences between the adopted budget and the actual activities are reflected in the Budgetary Comparison Schedule – General Fund.

The Marshal is an independent elected official. However, since the Marshal's office is dependent on the City of Slidell to provide office space, a courtroom and related utility costs, as well as reimbursements of a portion of its salaries expenditures, the Marshal is determined to be a component unit of the City of Slidell. The accompanying financial statements only present information for the funds maintained by the Marshal.

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Our analysis of the funds maintained by the Marshal as a whole begins on page 6. The Statement of Net Assets and Statement of Activities and Changes in Net Assets report information about the funds maintained by the Marshal as a whole and about its activities in a way which helps answer one of the most important questions asked about the Marshal's finances, "Is the Marshal, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets and liabilities using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash was received or paid.

These two statements report the Marshal's net assets and the changes in net assets. Net assets, the difference between the assets and the liabilities, is one way to measure the Marshal's financial health and, over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

The funds maintained by the Marshal are recorded as governmental activities in the Statement of Net Assets and Statement of Activities and Changes in Net Assets.

**CITY MARSHAL OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of salaries and benefits, fees paid, office expenses, contract services, memberships and educational conferences. Court costs and fees and contributions from the City of Slidell finance most of the activities of the Marshal.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. The Marshal's total net assets from a year ago decreased from \$388,905 to \$305,413.

The Marshal's office at December 31, 2011 and 2010 had \$258,563, and \$326,040 in cash on hand and net capital assets of \$36,961 and \$46,170 with total assets being \$333,470 and \$406,011, respectively. For the years ended December 31, 2011 and 2010, this office has no long term debt and had current liabilities of \$28,057 and \$17,106, respectively.

Total revenue for the Marshal's office for 2011 and 2010 was \$379,709 and \$360,841, respectively, which was due to the increase in court fees.

Expenditures, excluding depreciation expense of \$25,615 for 2011 and \$23,947 for 2010, increased from \$398,568 in 2010 to \$437,586 in 2011 due to an increase in salaries and additional capital outlay for a new database.

FUND FINANCIAL STATEMENTS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending. The governmental funds reported combined ending fund balances of \$292,558.

CAPITAL ASSETS

Major asset additions for the year ended December 31, 2011 consisted of the purchase of a database. Major asset additions for the year ended December 31, 2010 consisted of the purchase of two new computer systems.

GENERAL FUND BUDGETARY HIGHLIGHTS

Favorable variances in revenues of \$14,109 in 2011 were caused by increases in City Court of Slidell fees and a bond forfeiture judgment from the District Attorney's office. The unfavorable variances for expenditures of \$77,298 occurred mainly because of an increase in salaries for the Marshal.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Marshal considered many factors when setting the operating budget for the year ended December 31, 2012. The Marshal is optimistic about anticipated revenues and projects \$373,000 in revenues, while anticipated expenditures will be approximately \$372,625. The Marshal plans to maintain current operating expenditures and increase security expenditures.

**CITY MARSHAL OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview for the funds maintained by the City Marshal of Slidell and to show the accountability for the money it receives. If you have any questions or need additional information, contact the Marshal's office at P.O. Box 2356, Slidell, Louisiana 70459.

**CITY MARSHAL OF SLIDELL
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2011**

ASSETS

Cash and cash equivalents	\$ 258,563
Due from other governmental agencies	27,950
Prepaid expenses	9,996
Capital assets, net	<u>36,961</u>

TOTAL ASSETS 333,470

LIABILITIES

Accounts payable and accrued liabilities	3,951
Compensated absences payable	<u>24,106</u>

TOTAL LIABILITIES 28,057

NET ASSETS

Invested in capital assets, net	36,961
Unrestricted	<u>268,452</u>

TOTAL NET ASSETS \$ 305,413

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	PROGRAM REVENUES			
Expenses	Charges for Services	Capital Grants	Net Revenues (Expenses)	
EXPENSES				
Public safety	\$ 463,201	\$ 372,127	\$ -	\$ (91,074)
GENERAL REVENUES				
Other				1,381
Bond forfeiture judgments				6,201
Total general revenues				7,582
CHANGE IN NET ASSETS				(83,492)
NET ASSETS - Beginning of year				388,905
NET ASSETS - End of year				\$ 305,413

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
BALANCE SHEET – GOVERNMENTAL FUND
AS OF DECEMBER 31, 2011**

ASSETS

Cash and cash equivalents	\$ 258,563
Due from other governmental entities	27,950
Prepaid expenses	9,996

TOTAL ASSETS **\$ 296,509**

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued liabilities	\$ 3,951
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FUND BALANCE

Nonspendable

Prepaid expenses	9,996
Unassigned	292,558

TOTAL LIABILITIES AND FUND BALANCE **\$ 296,509**

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2011**

FUND BALANCE - Total governmental fund \$ 292,558

Amounts reported for governmental activities in the Statement
of Net Assets are different because:

Capital assets used in governmental activities are not financial
resources, and therefore, are not reported in the funds.

Governmental capital assets	\$ 180,092	
Less accumulated depreciation	(143,131)	36,961

Compensated absences used in governmental activities
are not financial uses, and therefore, are not reported in
the funds.

Compensated absences	(24,106)
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NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 305,413**

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

REVENUES	
City Court of Slidell fees	\$ 274,618
City of Slidell fees	65,041
Sheriff's Office fees	20,000
Fingerprint fees	11,862
Other income	606
Bond forfeiture revenues	<u>7,582</u>
 Total revenues	 379,709
 EXPENDITURES	
Salaries	310,193
Payroll taxes	6,134
Deferred compensation plan	18,010
Telephone	11,653
Automobile	3,299
Retirement fund	11,886
Professional fees	9,160
Insurance	30,443
Contract labor	10,695
Contributions	517
Materials and supplies	14,967
Capital outlay	<u>16,406</u>
 Total expenditures	 <u>443,363</u>
 DEFICIENCY OF REVENUES OVER EXPENDITURES	 (63,654)
 FUND BALANCE - Beginning of year	 <u>356,212</u>
 FUND BALANCE - End of year	 <u><u>\$ 292,558</u></u>

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

NET CHANGE IN FUND BALANCE - Total governmental fund \$ (63,654)

Amounts reported for governmental activities in the Statement
of Activities and Changes in Net Assets are different because:

Governmental fund reports capital outlays as expenditures. However, in the
Statement of Activities and Changes in Net Assets, the costs of those assets
is allocated over the estimated useful lives as depreciation expense. This is the
amount by which capital outlays exceeded depreciation in the current period. (9,209)

Governmental fund reports compensated absences as expenditures when
the amount is paid. In the Statement of Activities and Changes in Net Assets,
the net accretion (decretion) is reported as an expense. (10,629)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (83,492)

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City Marshal of Slidell (the Marshal) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the governmental entity's accounting policies are described below.

Reporting Entity – As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the voters of St. Tammany Parish elect the City Marshal of Slidell for a term of six years.

For reporting purposes, the City of Slidell, Louisiana serves as the financial reporting entity for both the municipality (City of Slidell) and for the City Court of Slidell. The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and Council of the City of Slidell), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental accounting standards established criteria for determining which component units should be considered part of St. Tammany Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which include:

- a) Appointing a voting majority of an organization's governing body, and the ability of the Parish Council to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burden on the organization.
- b) Organizations for which the police jury does not appoint a voting majority but is fiscally dependent on the police jury.
- c) Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Basic Financial Statements – Government-Wide Statements – The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. There were no activities of the Marshal categorized as business-type activities.

In the government-wide Statement of Net Assets, the governmental activity column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities and Changes in Net Assets reports both the gross and net cost of the Marshal's function. The Statement of Activities and Changes in Net Assets reduces gross expenses by related program revenues, operating and capital grants.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Program revenues must be directly associated with the function. These revenues are derived from fees charged for services. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc.). The Marshal does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Marshal as an entity and the change in the Marshal's net assets resulting from the current year's activities.

The financial transactions of the Marshal are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures. The various funds are reported by generic classification within the financial statements. The funds and account groups used by the Marshal are as follows:

General Fund – The general fund is that through which general governmental functions of the Marshal are financed. The acquisition, use, and balances of the Marshal's expendable financial resources and the related liabilities are accounted for through governmental funds. The general fund is the principal fund of the Marshal. General operating expenditures are paid from this fund.

Basis of Accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

Accrual – The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of the Marshal consist principally of interest income and fines and fees for services relating to court filings. Interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

Modified Accrual – The modified accrual basis of accounting is used by all governmental fund types and agency funds. 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. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recorded as fund liabilities when due.

The revenues of the Marshal susceptible to accrual are fees due from the City of Slidell and other governmental units, and fees charged for wage garnishments. Substantially all other revenues are recorded when received. Capital assets, including related depreciation, and compensated absences are not recognized in the governmental fund financial statements.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fund Balance – On January 1, 2011, the Marshal adopted GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Marshal is bound to honor constraints on the specific purpose for which amounts in the funds can be spend. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Marshal to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Marshal. Those committed amounts cannot be used for any other purpose unless the Marshal removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the Marshal's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, the Marshal uses restricted resources first, then unrestricted resources (committed, assigned and unassigned) are available for use.

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Use of Estimates – The preparation of the Marshal's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of December 31, 2011. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2011 financial statements.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Budget and Budgetary Accounting – Formal budgetary accounting is employed as a management control device during the year for the general fund. The budget is adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP).

Cash and Cash Equivalents – Cash includes amounts in demand deposits and certificates of deposits with a maturity of 3 months or less, if any.

The Marshal is authorized to invest (1) in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-RS 39:1271, or any other federally insured investments, or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Capital Assets – Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Automobiles	5	years
Furniture and equipment	5 to 10	years

Allowance for Uncollectible Receivables – The financial statements for the Marshal contain no allowance for uncollectible receivables. Uncollectible receivables (including amounts due from other governmental agencies) are recognized as uncollectible receivables at the time the information becomes available which would indicate the uncollectibility of the particular receivable. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Prepaid Expenses – Prepaid expenses represent the unused portion of insurance policies in effect at the balance sheet date.

NOTE B – CASH AND CASH EQUIVALENTS

At December 31, 2011, the Marshal has cash and cash equivalents (book balances) totaling \$258,563 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. The pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2011, the Marshal has \$266,930 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$16,930 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE B – CASH AND CASH EQUIVALENTS, (continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

NOTE C – DUE FROM OTHER GOVERNMENTAL AGENCIES

Included in accounts receivable are amounts due from two governmental agencies. As of December 31, 2011, the balance in the account was \$27,950.

NOTE D – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended December 31, 2011:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Cost</u>				
Automobiles	\$ 175,495	\$ -	\$ (14,975)	\$ 160,520
Furniture and equipment	3,166	16,406	-	19,572
Total	178,661	16,406	(14,975)	180,092
<u>Accumulated depreciation</u>				
Automobiles	131,268	23,558	(14,975)	139,851
Furniture and equipment	1,223	2,057	-	3,280
Total	132,491	25,615	(14,975)	143,131
Capital assets, net	<u>\$ 46,170</u>	<u>\$ (9,209)</u>	<u>\$ -</u>	<u>\$ 36,961</u>

NOTE E – DEFERRED COMPENSATION PLAN

The Marshal's office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Annual contributions to the plan may not exceed the lesser of 100% of participant compensation or \$16,500. Additionally, participants age 50 years or older may elect to defer an additional \$5,000.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE E – DEFERRED COMPENSATION PLAN, (continued)

During the three calendar years ending prior to normal retirement age, as defined by the Plan, participants may be eligible to contribute “catch-up” amounts not to exceed amounts permitted by the Internal Revenue Code. Salaries of employees participating in this plan for the period and year ended December 31, 2011, 2010, and 2009 totaled \$310,193, 273,445, and 264,205, respectively. The plan requires that the minimum contribution is equal to the current employee’s withholding rate for social security. The employer’s contributions for the years ended December 31, 2011, 2010, and 2009 were \$18,010, \$15,780, and \$14,410, respectively, and the employee’s contributions were \$24,130, \$21,120, and \$18,180, respectively. Employee contributions are made as non-taxable payroll deductions.

All amounts of the compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the Marshal (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Marshal’s general creditors. Participants’ rights under the plan are equal to those of general creditors of the Marshal in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Marshal’s legal counsel that the Marshal has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Marshal believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the plan assets and related liabilities have not been included herein.

Investments are managed by the plan’s administrator (Louisiana Deferred Compensation Commission). The choices of the investment option(s) are made by the plan participants.

NOTE F – OPERATING LEASES

The Marshal leases one copier through a 60 month operating agreement that began November 18, 2007. Rent expense for the year ended December 31, 2011 was \$2,297. Future minimum lease payments required for the year ending December 31, 2012 is \$1,458.

NOTE G – COMPENSATED ABSENCES

The Marshal’s full-time and part-time employees receive one week of annual paid leave upon completion of one year of employment. Annual paid leave may be accumulated up to 120 hours. Annual leave vests with the employee, and therefore, has been accrued. The amount of accumulated unpaid leave at December 31, 2011 was \$24,106.

NOTE H – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 15, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY MARSHAL OF SLIDELL
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
City Court of Slidell fees	\$ 264,600	\$ 264,600	\$ 274,618	\$ 10,018
City of Slidell fees	65,500	65,500	65,041	(459)
Sheriff's Office fees	24,000	24,000	20,000	(4,000)
Fingerprint fees	8,500	8,500	11,862	3,362
Interest income	-	-	606	606
Bond forfeiture	3,000	3,000	7,582	4,582
	<u>365,600</u>	<u>365,600</u>	<u>379,709</u>	<u>14,109</u>
EXPENDITURES				
Salaries	275,500	275,500	310,193	(34,693)
Payroll taxes	4,000	4,000	6,134	(2,134)
Deferred compensation plan	15,900	15,900	18,010	(2,110)
Telephone	11,000	11,000	11,653	(653)
Automobile	-	-	3,299	(3,299)
Retirement fund	-	-	11,886	(11,886)
Professional fees	10,000	10,000	9,160	840
Insurance	27,000	27,000	30,443	(3,443)
Dues and subscriptions	125	125	-	125
Contract labor	13,540	13,540	10,695	2,845
Contributions	-	-	517	(517)
Materials and supplies	9,000	9,000	14,967	(5,967)
Capital outlay	-	-	16,406	(16,406)
	<u>366,065</u>	<u>366,065</u>	<u>443,363</u>	<u>(77,298)</u>
Deficiency of revenues over expenditures	(465)	(465)	(63,654)	(63,189)
FUND BALANCE - Beginning of year	<u>445,068</u>	<u>445,068</u>	<u>356,212</u>	<u>(88,856)</u>
FUND BALANCE - End of year	<u>\$ 444,603</u>	<u>\$ 444,603</u>	<u>\$ 292,558</u>	<u>\$ 25,667</u>

See accompanying independent accountants' review report.

OTHER INDEPENDENT ACCOUNTANTS' REPORT



Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*
*Limited Liability Company

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES FOR COMPLIANCE
WITH LAWS AND REGULATIONS**

Honorable Wyatt Williams, Marshal
City Marshal of Slidell
Slidell, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Marshal of Slidell (the Marshal) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Marshal's compliance with certain laws and regulations during the year ended December 31, 2011, 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 and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The City Marshal of Slidell did not purchase any items exceeding \$20,000.

Code of Ethics for Public Officials and Public Employees

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

The Marshal provided us with the required list including the noted information.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

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

The Marshal provided us with the required listing.

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 provided by the Marshal in 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.

The Marshal provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Total expenditures exceeded budgeted amounts by more than 5%.

Accounting and Reporting

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

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

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

- c) Determine whether payments received approval from proper authorities.

All of the selected payments received approval from proper authorities.

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 through 42:12 (the open meetings law).

Not applicable.

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.

No deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

No indication that payments to employees would constitute bonuses, advances, or gifts was noted.

Prior Comments and Recommendations

Our prior year report, dated June 28, 2011, did not include any comments or unresolved matters.

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

This report is intended solely for the use of management of the City Marshal of Slidell 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

June 15, 2012

**CITY MARSHAL OF SLIDELL
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Part I – Financial Statement Findings

No findings for the year ended December 31, 2011.

Part II – Internal Control and Compliance

Finding 2011-01

Condition: City Marshal of Slidell did not comply with Local Government Budget Act LSA-RS 39:1311.

Criteria: City Marshal of Slidell should comply with all requirements stated in the Local Government Budget Act.

Effect: The actual expenditures were greater than 5% of budgeted expenditures for the year ended December 31, 2011.

Cause: City Marshal of Slidell did not amend the budget during the year.

Recommendation: City Marshal of Slidell should amend the budget when it is known that an amendment is necessary.

Management’s corrective action plan or current status: Management will review the budget periodically and amend as necessary to comply with Local Government Budget Act LSA-RS 39:1311.

**CITY MARSHAL OF SLIDELL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Part I – Financial Statement Findings

No findings for the year ended December 31, 2010.

Part II – Internal Control and Compliance

Finding 2010-01

Condition: City Marshal of Slidell did not comply with Local Government Budget Act LSA-RS 39:1311.

Recommendation: City Marshal of Slidell should amend the budget when it is known that an amendment is necessary.

Management’s corrective action plan or current status: See repeat finding 2011-1.

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

5/22/2012 (Date Transmitted)

Silva Gurtner & Abney

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes 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 R.S. 39:1410.60-1410.65.

Yes No

Advances and Bonuses

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

Yes No

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

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

Date Secretary _____

Date Treasurer _____

5/22/12
Date President *Dyott Williams*