

**CITY COURT OF PORT ALLEN**  
**A COMPONENT UNIT OF**  
**THE CITY OF PORT ALLEN, LOUISIANA**

**FINANCIAL REPORT**  
**(Reviewed)**

**December 31, 2005**

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 7/26/06

**Provost** Certified  
**Salter** Public  
**Harper** Accountants  
**Alford LLC** Business  
Advisors

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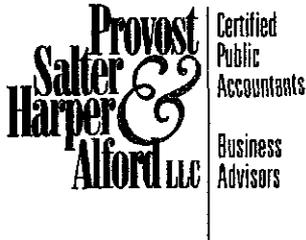
# CITY COURT OF PORT ALLEN, LOUISIANA

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*December 31, 2005*

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## ACCOUNTANT'S REPORT

To the Honorable William T. Kleinpeter  
City Court of Port Allen, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Port Allen, Louisiana, a component unit of the City of Port Allen, Louisiana as of and for the year ended December 31, 2005, which collectively comprise the City Court's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards* issued by the Comptroller General of the United States of America. All information included in these financial statements is the representation of the City Court of Port Allen's management.

A review consists principally of inquiries of the City Court of Port Allen's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 generally accepted accounting principles.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of State law, we have issued a report, dated June 21, 2006, on the results of our agreed-upon procedures.

Management has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is required to supplement, although not required to be part of, the basic financial statements.

The schedules on pages 22 and 23 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the schedules from information that is the representation of management of the City Court of Port Allen, Louisiana, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

June 21, 2006

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**CITY COURT OF PORT ALLEN, LOUISIANA**

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*Basic Financial Statements*

*December 31, 2005*

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**CITY COURT OF PORT ALLEN, LOUISIANA**

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*Government-Wide Financial Statements*

*December 31, 2005*

**CITY COURT OF PORT ALLEN, LOUISIANA***Statement of Net Assets**December 31, 2005*

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**ASSETS**

Cash	\$	83,252
Investments		303,217
Due from other funds		10,609
Capital assets, net		<u>40,883</u>
<b>Total Assets</b>		<u><b>437,961</b></u>

**LIABILITIES**

Accrued Expenses		<u>550</u>
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**NET ASSETS**

Invested in capital assets		40,883
Unrestricted		<u>396,528</u>
<b>Total Net Assets</b>	\$	<u><b>437,411</b></u>

*Exhibit B*

**CITY COURT OF PORT ALLEN, LOUISIANA**

*Statement of Activities*

*For the Year Ended December 31, 2005*

	Program Revenues	Charges for Services, Fines, and Forfeitures	Expenses	Governmental Activities Net Revenues and Changes in Net Assets
<b>Functions/programs</b>				
General government-Judiciary	\$ 265,848	\$ 322,472	\$	\$ 56,624
General revenues:				
Investment income				8,887
Change in net assets				65,511
Net assets - beginning				371,900
Net assets - ending				<u>\$ 437,411</u>

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**CITY COURT OF PORT ALLEN, LOUISIANA**

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*Fund Financial Statements*

*December 31, 2005*

**CITY COURT OF PORT ALLEN, LOUISIANA**

*Balance Sheet-Governmental Fund*

*December 31, 2005*

**ASSETS**

**Current Assets**

Cash	\$	83,252
Investments		303,217
Due from other funds		<u>10,609</u>

**Total Assets** **\$ 397,078**

**LIABILITIES AND FUND BALANCE**

**Current Liabilities**

Accrued expenses	\$	<u>550</u>
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**Fund Balance**

Unreserved, reported in general fund		<u>396,528</u>
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**Total Liabilities and Fund Balance** **\$ 397,078**

**CITY COURT OF PORT ALLEN, LOUISIANA***Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets**December 31, 2005*

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Total fund balance for the governmental fund at December 31, 2005 \$ 396,528

Total net assets reported for governmental activities in the statement  
of net assets is different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the fund. Those  
assets consist of :

Furniture, equipment and leasehold improvements, net of \$53,652 accumulated  
depreciation 40,883

Total net assets of governmental activities at December 31, 2005 \$ 437,411

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**CITY COURT OF PORT ALLEN, LOUISIANA**


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*Statement of Revenues, Expenditures, and  
Change in Fund Balance, Governmental Fund*

*For the Year Ended December 31, 2005*

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**REVENUES**

Court fees	\$ 213,372
Intergovernmental	109,100
Investment income	<u>8,887</u>
Total revenues	<u>331,359</u>

**EXPENDITURES**

General and administration	19,816
Travel	10,164
Dues and subscriptions	485
Office expense and maintenance	14,291
Intergovernmental	43,466
Personnel expenses	168,645
Capital outlay	<u>1,814</u>
Total expenditures	<u>258,681</u>

Net change in fund balance	72,678
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Fund balance, beginning	<u>323,850</u>
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Fund balance, ending	<u><u>\$ 396,528</u></u>
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**CITY COURT OF PORT ALLEN, LOUISIANA**

*Reconciliation of the Statement of Revenue,  
Expenditures, and Change in Fund Balance of Governmental Fund  
to the Statement of Activities*

*For the Year Ended December 31, 2005*

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Total net change in fund balance at December 31, 2005 per statement of revenues, expenditures and change in fund balance	\$	72,678
The change in net assets reported for the governmental activities in the statement of activities is different because:		
Add: Capital outlay costs which are considered as expenditures on statement of revenues, expenditures and change in fund balance		1,814
Less: Depreciation expense for the year ended December 31, 2005		<u>(8,981)</u>
Total net change in net assets of governmental activities at December 31, 2005	\$	<u>65,511</u>

**CITY COURT OF PORT ALLEN, LOUISIANA**

*Fiduciary Fund - Statement of Assets and Liabilities*

*December 31, 2005*

<b>ASSETS</b>	<b>Fines, Fees and Court Cost</b>	<b>Civil</b>	<b>Total Agency Fund</b>
<b>Current Assets</b>			
Cash	\$ 50,348	\$ 19,489	\$ 69,837
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deposits	\$ 15,760	\$ 15,086	\$ 30,846
Due to other funds	9,341	1,268	10,609
Due to other governments	25,247	3,135	28,382
	\$ 50,348	\$ 19,489	\$ 69,837

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# CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements*

*December 31, 2005*

## INTRODUCTION

The City Court of Port Allen, Louisiana (the "City Court") was established by the State of Louisiana. It has jurisdiction over all of Ward III in West Baton Rouge Parish. The City Court is governed by one Judge. The City Court maintains a courtroom and offices in Port Allen, Louisiana. Revenues for the City Court include court costs assessed on civil and criminal cases handled by the Court and other revenues. Major expenditures of the City Court include personnel services and other expenditures.

### 1. Summary of Significant Accounting Policies

**Basis of Presentation.** The accompanying basic financial statements of the City Court of Port Allen, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. 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 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

**Reporting Entity.** As the governing authority of the City, for reporting purposes, the City of Port Allen is the financial reporting entity for the City Court of Port Allen. The financial reporting entity consists of (a) the primary government (City), (b) organizations for which the primary government is financially accountable, and (c) 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 Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the City of Port Allen for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 2005*

1. Appointing a voting majority of an organization's governing body, and;
  - a. The ability of the City to impose its will on that organization; and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City provides financial support to the City Court, the City Court was determined to be a component unit of the City of Port Allen, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court 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.

**Fund Accounting.** The Court uses funds to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds account for all or most of the City Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the City Court. The following is the City Court's governmental fund:

**General Fund.** The general fund is the primary operating fund of the Court. It is used to account for all financial resources. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to court policy.

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 2005*

**Fiduciary Fund.** Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the court are agency funds. The agency funds account for assets held by the court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

### MEASUREMENT FOCUS/BASIS OF ACCOUNTING

#### **Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets (page 4) and Statement of Activities (page 5) display information about the City Court's office as a whole. These statements include all the financial activities of the City Court's office. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

**Program Revenues.** Program revenues included in the Statement of Activities (page 5) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the City Court's office general revenues.

#### **Fund Financial Statements (FFS)**

The amounts reflected in the Governmental Fund Statements (pages 7 and 8) 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 balances 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 City Court's office operations.

The amounts reflected in the Governmental Fund Statements (pages 7 and 8) 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. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 2005*

**Revenues.** Revenues are generally recognized under the modified accrual basis of accounting when the related asset becomes both measurable and available.

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

**Cash.** Cash includes amounts in demand deposits. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Investments.** Investments are stated at market value.

**Capital Assets.** Capital assets are capitalized at historical cost or estimated cost. The Court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<b>Description</b>	<b>Estimated Lives</b>
Leasehold improvements	39
Furniture and fixtures	10
Equipment	5

**Budgets.** The proposed budget for the 2005 fiscal year was made available for public inspection at the City Court's office on December 31, 2004. The budget is legally adopted and amended, as necessary, by the City Court Judge. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments, if applicable.

The budget for the General Fund is prepared on a basis that is consistent with generally accepted accounting principles (GAAP). However, the Court does not budget on-behalf payments (see Note 8); therefore, adjustments were made on page 23 to remove on-behalf payments from the actual amounts for comparison purposes to the budgeted amounts.

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 2005*

**Risk Management.** The City Court is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City Court is covered by insurance provided by the City of Port Allen at levels which management believes is adequate to protect the City Court. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 2. Cash

At December 31, 2005, the City Court of Port Allen has cash in demand deposit accounts with a book balance of \$153,039 of which \$69,837 is attributable to fiduciary funds, which is not presented in the statement of net assets.

Under state law, these deposits (or 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. 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.

At December 31, 2005, the Court has \$147,313 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$47,313 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, 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 Court that the fiscal agent has failed to pay deposited funds upon demand.

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 2005*

### 3. Investments

Investments held at the City Court consist of \$303,217 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at the City Court is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchased agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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## CITY COURT OF PORT ALLEN, LOUISIANA

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Notes to Financial Statements, Continued

December 31, 2005

### 4. Changes in Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2005 are as follows:

Governmental Activities	Balance January 1, 2005	Additions	Deletions	Balance December 31, 2005
Equipment	\$ 61,233	\$ -	\$ -	\$ 61,233
Furniture and fixtures	17,467	1,814	-	19,281
Leasehold improvements	14,021	-	-	14,021
Total	92,721	1,814	-	94,535
Less accumulated depreciation:				
Equipment	41,336	6,784	-	48,120
Furniture and fixtures	1,777	1,837	-	3,614
Leasehold improvements	1,558	360	-	1,918
Total	44,671	8,981	-	53,652
Capital assets, net	\$ 48,050	\$ (7,167)	\$ -	\$ 40,883

### 5. Retirement Commitments

#### Louisiana State Employees' Retirement System (LASERS)

Plan Description and Provisions. The City Court's Judge participates in the LASERS, a statewide cost sharing multiple employer defined benefit pension plan administered by a separate Board of Trustees. LASERS provides retirement, disability, and survivor benefits to plan members and beneficiaries. Benefits are established and amended by state statute. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974.

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## CITY COURT OF PORT ALLEN, LOUISIANA

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Notes to Financial Statements, Continued

December 31, 2005

Description of Funding Policy. The City Court Judge is required by State statute to contribute 11.5% of his annual covered salary and the Court is required to contribute at an actuarially determined rate. The current employer rate is 17.8% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Court's contributions to LASERS for the years ended December 31, 2005, 2004 and 2003, were \$3,598, \$4,746 and \$3,836, respectively, and were equal to the required contributions for each year.

### 6. Changes In Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Unsettled Deposits at Beginning of Year	Addition	Reductions	Unsettled Deposits at End of Year
Civil Funds	\$ 14,153	\$ 44,036	\$ 38,700	\$ 19,489
Fines, Fees, & Court Cost	36,361	515,023	501,036	50,348
	<u>\$ 50,514</u>	<u>\$ 559,059</u>	<u>\$ 539,736</u>	<u>\$ 69,837</u>

### 7. Related Party Transactions

The City of Port Allen, Louisiana incurs expenditures on behalf of the Court. During the year ended December 31, 2005, the City paid the expenditures for other services and supplies in the amount of \$13,585 on behalf of the Court, which are not included in the accompanying financial statements.

The Court distributes a portion of all fines collected to the City. During the year ended December 31, 2005, the portion of fines collected by the Court, which were available for distribution to the City, totaled \$25,163. The Court has agreed to reimburse the City for a portion of two of the Court's employees. Under this agreement, the Court incurred cost of \$43,626.

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Notes to Financial Statements, Continued*

*December 31, 2005*

### 8. On-Behalf Payments for Fringe Benefits and Salaries

In accordance with GASB Statement 24, on-behalf payments made by the City of Port Allen, the West Baton Rouge Parish Council, and the State of Louisiana are recognized as revenues and expenditures in these financial statements. The following on-behalf payments are shown as intergovernmental revenue in these financial statements. An equal amount has been included as expenditures in the personal services category.

City of Port Allen	\$ 61,164
State of Louisiana	33,514
West Baton Rouge Parish	<u>4,612</u>
	<u>\$ 99,290</u>

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**CITY COURT OF PORT ALLEN, LOUISIANA**

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*Required Supplemental Information*

*December 31, 2005*

## CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Changes in Unsettled Balances -  
Fiduciary Funds - Agency Funds

For the Year Ended December 31, 2005

	Fines, Fees and Court Cost	Civil	Total
Unsettled deposits at beginning of year	\$ 36,361	\$ 14,153	\$ 50,514
<b>Additions</b>			
Deposits:			
Civil suits	-	44,036	44,036
Fines and court costs	515,023	-	515,023
Total additions	515,023	44,036	559,059
<b>Reductions</b>			
Deposits settled to:			
Intergovernmental	287,664	10,960	298,624
Personnel services	-	25,187	25,187
General and administration	-	2,005	2,005
Postage	-	548	548
Transfer to general fund	213,372	-	213,372
Total reductions	501,036	38,700	539,736
Unsettled deposits at end of year	\$ 50,348	\$ 19,489	\$ 69,837

**CITY COURT OF PORT ALLEN, LOUISIANA**

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget Basis and Actual - Governmental Fund Type - General Fund*

For the Year Ended December 31, 2005

	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Budget		Variance Favorable (Unfavorable)
				Original	Final	
<b>Revenues</b>						
Court fees, fines, and cost	\$ 213,372	\$ -	\$ 213,372	\$ 225,000	\$ 225,000	\$ (11,628)
Intergovernmental	109,100	(99,290) (1)	9,810	11,000	11,000	(1,190)
Interest	8,887	-	8,887	3,000	3,000	5,887
<b>Total revenues</b>	<b>331,359</b>	<b>(99,290)</b>	<b>232,069</b>	<b>239,000</b>	<b>239,000</b>	<b>(6,931)</b>
<b>Expenditures</b>						
<b>Current</b>						
General and administration	19,816	-	19,816	10,000	10,000	(9,816)
Travel	10,164	-	10,164	8,000	8,000	(2,164)
Dues and subscriptions	485	-	485	600	600	-
Office expense and maintenance	14,291	-	14,291	6,000	6,000	(8,291)
Intergovernmental	43,466	-	43,466	70,000	70,000	(26,534)
Personnel expenses	168,645	(99,290) (1)	69,355	60,000	60,000	(9,355)
<b>Total current expenditures</b>	<b>256,867</b>	<b>(99,290)</b>	<b>157,577</b>	<b>154,600</b>	<b>154,600</b>	<b>(3,092)</b>
Capital outlays	1,814	-	1,814	5,000	5,000	3,186
<b>Total expenditures</b>	<b>258,681</b>	<b>(99,290)</b>	<b>159,391</b>	<b>159,600</b>	<b>159,600</b>	<b>94</b>
<b>Revenues Over Expenditures</b>	<b>72,678</b>	<b>-</b>	<b>72,678</b>	<b>79,400</b>	<b>79,400</b>	<b>(6,722)</b>
<b>Fund Balance</b>						
Beginning	323,850	-	323,850	323,850	323,850	-
Ending	\$ 396,528	\$ -	\$ 396,528	\$ 403,250	\$ 403,250	\$ (6,722)

Explanation of differences:

(1) On-behalf payments are reflected as revenue and an expenditure in the City Court's financial statement as required by GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. Actual amounts are reconciled on a non-GAAP basis for comparison to budget.

## ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable William T. Kleinpeter  
City Court of Port Allen

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of City Court of Port Allen, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about City Court of Port Allen's compliance with certain laws and regulations during the year ended December 31, 2005, 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 Governmental 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 material and supplies exceeding \$20,000 or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-R.S. 38:2211-2251 (the public bid law).

*No expenditures exceeding \$20,000 were made during the year for materials, supplies or public works.*

### 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.

*Management provided us with the required list including the noted information.*

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

*Management provided us with the required list.*

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure.*

#### **Budgeting**

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

*Management provided us with a copy of the original budget and all amendments.*

6. Trace the budget adoption and amendment to a court order adoption.

*We traced the adoption of the original budget to a signed order dated December 20, 2004.*

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.

*We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Although actual revenues and expenditures failed to meet budgeted amounts within a 5% variance, these funds are exempt from the amendment requirements because anticipated expenditures were less than \$500,000.*

#### **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;

*We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.*

- b. determine if payments were properly coded to the correct fund and general ledger account;

*Payments were properly coded to the correct fund and general ledger account for the six selected disbursements.*

- c. determine whether payments received approval from proper authorities.

*Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and Judge Kleinpeter.*

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 42:1 (the open meetings law).

*As there are no board of directors, there are no public meeting required.*

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.

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

Advances and Bonuses

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

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

Our schedule of findings summarizes our prior comments and unresolved matters.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, 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 Court of Port Allen, Louisiana, 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.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

June 21, 2006

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## CITY COURT OF PORT ALLEN, LOUISIANA

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*Schedule of Findings*

*December 31, 2005*

### Material Weakness

#### Inadequate Segregation of Duties

Condition. The Court is not large enough to permit an adequate segregation of employee duties for effective internal control over the purchasing (invoice approval, processing and general ledger) and reporting (journal entry preparation, approval and recordation) cycles.

Criteria. The processing of purchases and journal entries under the control of one person represents a failure to segregate the incompatible accounting activities.

Effect. The effect is such that errors, either intentional or unintentional, in the processing of purchases and journal entries could occur and not be detected in a timely manner and in the ordinary course of operations.

Cause. The size of the Court and the limited number of employees did not permit an adequate segregation of incompatible duties.

Recommendation. Due to the size of the City Court's operations it does not have sufficient staff to establish adequate segregation of duties. Management should consider if the cost associated with reducing this deficiency in the design or operation of the internal control structure is considered to be justified.

Auditee Response. Management has noted this condition and has determined that the cost necessary to establish adequate segregation of duties is not justifiable at the current time. The Judge will exercise appropriate supervision to the extent that is reasonable to mitigate this weakness in internal controls.

### Comments on Resolution of Prior Findings

The internal control matter above was reported in the prior years. There were no other prior year findings for which the Court has not implemented the corrective action recommended.

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

\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (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, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, 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 LSA-RS 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 LSA-RS 42:1119.

Yes  No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

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 LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes  No [ ]

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

Yes  No [ ]

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

Yes  No [ ]

**Meetings**

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

N/A

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 LSA-RS 39:1410.60-1410.65.

Yes  No [ ]

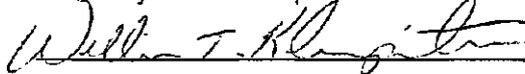
**Advances and Bonuses**

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, LSA-RS 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 which may occur subsequent to the issuance of your report.

	Judge Secretary	6/23/06	Date
_____	Treasurer	_____	Date
_____	President	_____	Date