CITY MARSHAL OF PORT ALLEN
PORT ALLEN, LOUISIANA
(A Component Unit of the City of Port Allen)

Financial Report
Year Ended December 31, 2012

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W. Kathleen Beard, CPA, LLC

10191 Bueche Rd.
Bueche, LA 70729

Member:
American Institute of CPA's
Louisiana Society of CPA's

Email: Kbeardcpa@Yahoo.com
Telephone: (225) 627-4537
FAX (225) 627-4584

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the City Marshal of Port Allen
Port Allen, Louisiana

I have reviewed the accompanying basic financial statements of the City Marshal of Port Allen a component unit of the City of Port Allen, as of and for the year ended December 31, 2012, 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 Port Allen. 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, I do not express such an opinion.

The management of the City Marshal of Port Allen 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.

My 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 and applicable standards of Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am 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.

In accordance with Louisiana Government Audit Guide and the provisions of State law, I have issued a report, dated May 28, 2013, on the results of my agreed upon procedures.

My 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. Management has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages and be presented to supplement the basic financial statements. Such information, although not 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 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. I have not audited or reviewed the information, and accordingly, I do not express an opinion or provide any assurance on the information.

W. Kathleen Beard, CPA

May 28, 2013

Basic Financial Statements

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Statement of Net Position
December 31, 2012

		Governmental Activities
ASSETS:		
Cash	$	635,387
Certificates of deposit		113,175
LAMP		170,531
Intergovernmental receivables		21,398
Prepaid insurance		7,184
Capital assets, net of accumulated depreciation		74,324
Total assets		1,021,999
LIABILITIES:		
Accounts payable		3,312
Total liabilities		3,312
NET POSITION:		
Net investment in capital assets		74,324
Unrestricted		944,362
Total net position	$	1,018,687

The accompanying notes to the financial statements are an integral part of this statement

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental activities -					
Public safety	$ 344,137	$ 363,296	$ 29,655	$ -	$ 48,814
Total governmental activities	344,137	363,296	29,655	-	48,814

General revenues	
Witness fees	26,896
Gain/(Loss) on disposal of capital assets	(2,223)
Investment income	2,098
Total general revenues	26,772
Change in net position	**75,585**
Net position, January 1,	943,101
Net position, December 31,	**$ 1,018,687**

The accompanying notes to the financial statements are an integral part of this statement.

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Balance Sheet
Governmental Funds - General Fund
December 31, 2012

ASSETS		
Cash	$	635,387
Certificates of deposit		113,175
LAMP		170,531
Intergovernmental receivables		21,398
Prepaid insurance		7,184
Total Assets	$	947,675
LIABILITIES AND FUND BALANCES		
Accounts payable	$	3,312
Total Liabilities		3,312
Fund Balances -		
Nonspendable:		
Prepaids		7,184
Unassigned		937,178
Total Fund Balances		944,362
Total Liabilities and Fund Balances	$	947,675

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

Fund Balances - total governmental funds	$	944,362
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources therefore are not reported in governmental funds		
Governmental capital assets		146,196
Less: accumulated depreciation		(71,871)
		74,324
Net Position of Governmental Activities	$	1,018,687

The accompanying notes to the financial statements are an integral part of this statement.

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds - General Fund
For the Year ended December 31, 2012

REVENUES:	
Intergovernmental	363,296
Witness fees	26,896
On behalf payments	29,655
Interest income	2,098
Total revenues	421,945
EXPENDITURES:	
Current	
Public safety	319,522
Capital outlay	60,198
Total expenditures	379,720
Excess Revenues Over (Under) Expenditures	42,225
FUND BALANCE:	
Beginning of Year	902,137
End of Year	$ 944,362

The accompanying notes to the financial statements are an integral part of this statement.

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year ended December 31, 2012

Net Change in Fund Balances - total governmental funds	$	42,225
Amounts reported for governmental activities in Statement of Net Position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets		60,198
Less current year depreciation		(24,615)
		35,583
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds		
Gain/(Loss) from disposal of capital assets		(2,223)
Change in Net Position of Governmental Activities	$	75,585

The accompanying notes to the financial statements are an integral part of this statement.

NOTE 1 - INTRODUCTION

The City Marshal of Port Allen (the City Marshal) was established under the provisions of Louisiana Revised Statutes 13:1879. Each city court shall have a marshal or constable, elected at the congressional election every six years. The Marshal is charged with responsibility of conducting, policing and security functions for the City Court of Port Allen, Louisiana. Operations of the Marshal's office are funded by court costs charged by the City of Port Allen, Louisiana.. The Marshal employs about fifteen full time and part-time persons.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City Marshal of Port Allen have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible 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

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the financial statements must present the City Marshal is a component unit of the City of Port Allen, Louisiana because the City of Port Allen provides office space, related utility costs, and the primary funding of salary costs for the Marshal's office.

The accompanying financial statements present information only on the funds maintained by the City Marshal and do not present information on the City of Port Allen or any other governmental units that comprise the City of Port Allen.

Fund Accounting

The City Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Marshal functions and activities.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring inter-period equity whether current year revenues were sufficient to pay for the current year services.

Governmental Funds

Governmental funds account for all or most of the City Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds 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 Marshal. The following are the City Marshal's governmental funds:

General Fund - The General Fund is the primary operating fund of the City Marshal. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the City Marshal policy.

Measurement focus, Basis of Accounting

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City Marshal as a whole. These statements include all the financial activities of the City Marshal.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City Marshal's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City Marshal. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues.

The government-wide financial statements reflect the economic resources measurement focus and 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 the cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions.*

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B 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 the 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 Marshal.

The amounts reflected in the General use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of 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. The City Marshal considers all revenue as available if they are collected within sixty (60) days after year end. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, which are recognized when due and payable. The governmental funds use the following practices in recording revenues and expenditures:

Revenues - Fines, grants and interest associated with the current fiscal period are all considered susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures - Salaries and capital outlays associated with the current fiscal period are also considered to be susceptible to accrual and so have been recognized as expenditures of the fiscal period.

Budgets

The City Marshal uses the following budget practices:

- Annually, in the fall of each year, the City Marshal's management submits a proposed operating budget for the general fund prepared on the GAAP basis to the City Marshal
- After the City Marshal adopts the budget, usually in December, the budget is sent to the City of Port Allen who conducts a public hearing on the budget, which must be adopted by December 15. At year end, public notices affording the public the opportunity to participate in the budget process appear in the December issues of the Westside Journal, the official journal of the parish.
- Appropriations (unexpended budget balances) lapse at year-end
- The GAAP basis is used in preparing and reporting the budgets, except for on behalf payments, which represent equal amounts of both revenue and expenditures and are unknown until after year end.
- The Board of Control will meet time to time to make changes or amendments within the various budget categories.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Assets, Liabilities, and Equity

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the City Marshal's investment policy allow the entity to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments - Investments for the City Marshal are reported at fair value. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the City Marshal's investment policy. If the original maturities of investments exceed 90 days, they are classified as investment, however if the original maturities are 90 days or less, they are classified as cash equivalents

Receivables - Receivables consist of all revenues earned at year-end and not yet received.

Inventories - All immaterial inventories of the governmental funds are recorded as expenses/expenditures when purchased rather than when consumed.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets, Depreciation, and Amortization - Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Marshal maintains a threshold level of $500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position 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:

Building and building improvements	40 Years
Furniture and fixtures	5-7 Years
Vehicles	3 Years
Machinery and equipment	5-10 Years

Fund Equity Classifications -

Government-wide statements - Equity is classified as net position and displayed in three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

Fund financial statements - Beginning with FY 2011, the City Marshal implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. GASB 54 categorizes fund balance as either nonspendable or spendable.

The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

Nonspendable is defined as the portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.

Spendable is defined as a hierarchy of fund balance classifications that is available to be spent based on the element to which the City Marshal is bound to observe constraints imposed upon the use of resources:

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources by external parties such as creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City Marshal had no restricted resources at year end.

- Committed: This classification includes portions of fund balance that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Marshal. These amounts cannot be used for any other purpose unless the City Marshal removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City Marshal had no committed resources at year end.

- Assigned: This classification includes spendable amounts that are reported in governmental funds other than the General Fund that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the City Marshal, who has authority to assign amounts to be used for specific purposes. The City Marshal has not assigned any amounts at year-end.

- Unassigned: This classification if the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2012, the City Marshal has cash and cash equivalents (book balances) totaling $635,387:

Demand deposits	$	480,287
Business advantage account		155,100
	$	635,387

These deposits are stated at cost, which approximates market. 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 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, 2012, the City Marshal had $636,397 in deposits (collected bank balances). These deposits are secured from risk by $636,397 of federal deposit insurance.

NOTE 4 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the City Marshal or its agent in the City Marshal's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City Marshal's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the City Marshal's name

At December 31 2012 the City Marshal had investment balances as follows:

	Category			Carrying Amount			Total
Type of Investment	1	2	3	Fair Value	Amortized Cost	Cost	Carrying Amount
Certificate of Deposits	$ 113,175	$ -	$ -	$ 113,175	$ -	$ 113,175	$ 113,175
Investments not subject to categorization:							
External Investment Pool - LAMP				170,531	-	170,531	170,531
Total Investments	$ 113,175	$ -	$ -	$ 283,705	$ -	$ 283,705	$ 283,705

LAMP is administered by LAMP, a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having 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 LA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest risk and foreigtn currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risks: LAMP is rated AAAm by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

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 board of directors. LAMP is not registered with the SEC as an investment company.

Income earned during the year was $247.

NOTE 5 - RECEIVABLES

The receivables of $21,398 at December 31, 2012, are as follows:

Class of Receivable	General Fund
Intergovernmental:	
West Baton Rouge Parish Council	$ 9,974
City Court of Port Allen	11,424
Total Intergovernmental	21,398
Total Receivables	$ 21,398

NOTE 6 - CAPITAL ASSETS

A summary of changes in general fixed assets follows, current depreciation of $24,615 is reported in Public safety expense in the Statement of Activities:

	12/31/11	Increases	Decreases	12/31/12
Vehicles	22,602	60,197	(12,702)	70,098
Furniture & fixtures	7,766			7,766
Improvements	12,605			12,605
Equipment	55,727			55,727
Total capital assets	98,700	60,197	(12,702)	146,196
Vehicles	8,648	17,446	(10,479)	15,615
Furniture & fixtures	5,227	991		6,218
Improvements	697	315		1,012
Equipment	43,164	5,863		49,027
Total accumulated depreciation	57,736	24,615	(10,479)	71,872
Capital assets, net	$ 40,964	$ 35,583	$ (2,223)	$ 74,324

NOTE 7 - PENSION PLAN

Substantially all of employees of the City Marshal of Port Allen are members of the Municipal Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by separate boards of trustees. Pertinent information relative to each plan follows:

Plan Description The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Marshal are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds, and all elected municipal officials, are eligible to participate in the System.

Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final average monthly salary in excess of $100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final average salary.

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary. The contributions are deducted from the member's salary and remitted by the participating municipality. According to state statute, contributions for all employers are actuarially determined each year. However, subject to certain restrictions, the board of trustees may maintain the employer contribution rate for the next fiscal year at the same rate as the current year if the rate determined by the Public Retirement Systems' Actuarial Committee for the next fiscal year is less than the rate for the current year. The rate for 7/1/11 through 6/30/12 was 16.75% the rate for 7/1/12 through 6/30/13 is 17%.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement system of the City of Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions.

The City Marshal's contributions to the System under Plan A for the years ending December 31, 2012, 2011 and 2010 were $3,661, $2,495, and $2,152, respectively, equal to the required contributions for each year.

The System issues an annual publically available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809, by calling (225) 925-4840, or from their website at www.mersla.com.

NOTE 8 - ON-BEHALF PAYMENTS

GASB Statement No. 24 *Accounting and financial for Certain Grants and Other Financial Assistance*, requires the City Marshal to report in the financial statements on-behalf payments made by the City of Port Allen to the City Marshal's employees. Salary payments are made by the City directly to the employees. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the City. For 2012, the City paid salaries and benefits for the City Marshal. On-behalf payments recorded as revenues and expenditures in the financial statements for 2012 totaled $29,655.

NOTE 9 - RELATED PARTY TRANSACTIONS

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council $103,496 for the clerical salary and related benefits during 2012.

The City of Port Allen paid salary and benefits for the City Marshal totaling $29,655 for 2012. The City of Port Allen also provides office facilities for the City Marshal.

NOTE 10 – JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There was no litigation pending against the City Marshal as of December 31, 2012.

City Marshal's management believes that any potential lawsuits would be covered by insurance or resolved without any material impact upon the City Marshal's financial statements.

No claims were paid out or litigation costs incurred during the year ended December 31, 2012.

NOTE 11 - RISK RETENTION

The City Marshal is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The City Marshal carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2012 from coverage in the prior years. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

NOTE 12 - SUBSEQUENT EVENTS

In preparing these financial statements, the City Marshal has evaluated events and transactions for potential recognition or disclosure through May 28, 2013, the date the financial statements were issued.

Required Supplementary Information

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2012

	2012 Budget Amounts Original	2012 Budget Amounts Final	Actual Amounts GAAP Basis	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Intergovernmental	365,000	365,000	363,296	(1,704)
Witness fees	27,000	27,000	26,896	(104)
On behalf payments	-	-	29,655	29,655
Investment income	2,000	2,000	2,098	98
Total Revenue	394,000	394,000	421,945	27,945
Expenditures				
Current operations -				
Deputy marshal fees paid	110,000	110,000	108,661	1,339
Other salaries	105,000	105,000	103,496	1,504
On behalf payments	-	-	29,655	(29,655)
Municipal employee retirement	4,000	4,000	3,661	339
Auto expense	31,000	31,000	30,874	126
Repairs & maintenance	200	200	127	73
Uniforms	300	300	248	52
Travel - Seminars & training	3,000	3,000	1,574	1,426
Seminars & conventions	7,500	7,500	7,054	446
Office expense	3,500	3,500	6,342	(2,842)
Insurance	14,000	14,000	10,990	3,010
Supplies	6,000	6,000	5,634	366
Dues & subscriptions	1,000	1,000	790	210
Legal & accounting	9,000	9,000	8,524	477
Miscellaneous	1,000	1,000	1,893	(893)
Total Current	295,500	295,500	319,522	(24,022)
Capital outlay	62,000	62,000	60,198	1,802
Total expenditures	357,500	357,500	379,720	(22,220)
Excess Revenues over (under) expenditures	36,500	36,500	42,225	5,725
Fund balance, January 1	$ 902,137	$ 902,137	$ 902,137	-
Fund Balance, December 31	$ 938,637	$ 938,637	$ 944,362	$ 5,725

Notes to Budgetary Comparison Schedule:

1. The Budget is prepared using the Modified Accrual Basis of Accounting (GAAP)
2. There were no amendments to the 2012 Budget

Other Reports

W. Kathleen Beard, CPA, LLC

10191 Bueche Rd.
Bueche, LA 70729

Member:
American Institute of CPA's
Louisiana Society of CPA's

Email: Kbeardcpa@Yahoo.com
Telephone: (225) 627-4537
FAX (225) 627-4584

Independent Accountant's Report
on Applying Agreed-Upon Procedures

To Mike Zito
City Marshal of Port Allen
Port Allen, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of City Marshal of Port Allen and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about City Marshal of Port Allen's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying Louisiana Attestation Questionnaire. Management of City Marshal of Port Allen is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation 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 this report. Consequently, I 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

Select all expenditures made during the year for material and supplies exceeding $30,000, or public works exceeding $150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

There were no purchases exceeding the limits.

Code of Ethics for Public Officials and Public Employees

Obtain from management a list of the immediate family members of each board member as defined by R.S. 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.

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

Management provided us with the required list.

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 agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2 .

Budgeting

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

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

Trace the budget adoption and amendments to the minute book.

> The City Marshal is an independently elected official, there is no minute book

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.

> I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were not exceeded by budgeted revenue. Except for on behalf expenditures which are not budgeted, the expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

Randomly select six disbursements made during the period under examination and:

Trace payments to supporting documentation as to proper amount and payee;

> I 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.

Determine if payments were properly coded to the correct fund and general ledger account; and

> All payments were coded to the correct general ledger account.

Determine whether payments received approval from proper authorities.

> Inspection of documentation supporting each of the six selected disbursements indicated approvals from management.

Meetings

Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law).

> The City Marshal is an independently elected official who is the entity and therefore there are no minutes.

Debt

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.

> I 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

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

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

Prior Comments and Recommendations

There were no prior comments or recommendations..

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

This report is intended solely for the use of management of City Marshal of Port Allen 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.

W. Kathleen Beard, CPA

May 28, 2013

City Marshal of Port Allen
A Component Unit of the City of Port Allen
Schedule of Prior Year Findings
For the Years Ended December 31, 2012

RE No.	Fiscal Year Finding Initially Ocurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Corrective Action Taken
		No Findings		

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

May 28,,2013 (Date Transmitted)

W. Kathleen Beard, CPA, LLC
10191 Bueche Rd.
Bueche, LA 70729
(Auditors)

In connection with your review of our financial statements as of December 31, 2012 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 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 May 28, 2013 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. 39:1301-15), 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. 42:11 through 42:28.

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.

_____ Secretary _____ Date

_____ Treasurer _____ Date

_____ President 5-21-2018 Date