

**CITY COURT OF PORT ALLEN,
LOUISIANA**

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

**FINANCIAL REPORT
(Reviewed)**

December 31, 2009

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 7/14/10



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CITY COURT OF PORT ALLEN, LOUISIANA

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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, 2009, 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. 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 28, 2010, on the results of our agreed-upon procedures.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be part of, the basic financial statements.

The schedule on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, 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

June 28, 2010

CITY COURT OF PORT ALLEN, LOUISIANA

Basic Financial Statements

December 31, 2009

CITY COURT OF PORT ALLEN, LOUISIANA

Government-Wide Financial Statements

December 31, 2009

CITY COURT OF PORT ALLEN, LOUISIANA

*Statement of Net Assets**December 31, 2009*

ASSETS

Cash	\$ 146,941
Certificates of Deposit	142,349
Investments	41,520
Due from other funds	24,382
Capital assets, net	<u>24,743</u>
Total Assets	<u>379,935</u>

LIABILITIES

Due to other governments	20,463
Accrued expenses	<u>6,473</u>
Total Liabilities	<u>26,936</u>

NET ASSETS

Invested in capital assets	24,743
Unrestricted	<u>328,256</u>
Total Net Assets	<u>\$ 352,999</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2009

	Expenses	Program Revenues	Governmental Activities
	and Forfeitures	Charges for	Net
	in Net Assets	Services, Fines, and Changes	Revenues
	Expenses	and Forfeitures	in Net Assets
Functions/programs			
General government-Judiciary	\$ 322,641	\$ 375,049	\$ 52,408
General revenues:			
Investment income			<u>9,347</u>
Change in net assets			61,755
Net assets - beginning			<u>291,244</u>
Net assets - ending			<u>\$ 352,999</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Fund Financial Statements

December 31, 2009

CITY COURT OF PORT ALLEN, LOUISIANA

Balance Sheet-Governmental Fund**December 31, 2009****ASSETS**

Current Assets

Cash	\$	146,941
Certificates of Deposit		142,349
Investments		41,520
Due from other funds		<u>24,382</u>
Total Assets	\$	<u>355,192</u>

LIABILITIES AND FUND BALANCE

Current Liabilities

Due to other governments	\$	20,463
Accrued expenses		<u>6,473</u>
Total Liabilities		26,936

Fund Balance

Unreserved, reported in general fund		<u>328,256</u>
Total Liabilities and Fund Balance	\$	<u>355,192</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

December 31, 2009

Total fund balance for the governmental fund at December 31, 2009 \$ 328,256

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 accumulated depreciation of \$56,270 24,743

Total net assets of governmental activities at December 31, 2009 \$ 352,999

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures, and

Year Ended December 31, 2009

Changes in Fund Balance - Governmental Fund

REVENUES

Court fees	\$ 233,813
Intergovernmental	141,235
Investment income	<u>9,347</u>
Total revenues	<u>384,395</u>

EXPENDITURES

General and administration	53,201
Travel	11,994
Dues and Subscriptions	1,501
Office expense and maintenance	21,743
Personnel expenses	<u>227,832</u>
Total expenditures	<u>316,271</u>
Net change in fund balance	68,124
Fund balance, beginning	<u>260,132</u>
Fund balance, ending	<u>\$ 328,256</u>

CITY COURT OF PORT ALLEN, LOUISIANA

*Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Fund to the Statement of Activities*

For the Year Ended December 31, 2009

Total net change in fund balance at December 31, 2009 per statement of revenues, expenditures and changes in fund balance	\$ 68,124
The change in net assets reported for the governmental activities in the statement of activities is different because:	
Depreciation expense for the year ended December 31, 2009	<u>(6,369)</u>
Total net change in net assets of governmental activities at December 31, 2009	<u>\$ 61,755</u>

CITY COURT OF PORT ALLEN, LOUISIANA

*Statement of Fiduciary Net Assets**December 31, 2009*

	Fines, Fees and Court Cost	Civil	Total
Assets			
Cash	\$ 96,751	\$ 39,228	\$ 135,979
Liabilities			
Held for others pending court action	23,706	28,320	52,026
Due to other funds	18,802	5,580	24,382
Due to other governments	54,243	5,328	59,571
Total liabilities	96,751	39,228	135,979
Net Assets	\$ -	\$ -	\$ -

CITY COURT OF PORT ALLEN, LOUISIANA

**Statement of Changes in
Fiduciary Net Assets****For the Year Ended December 31, 2009**

	Fines, Fees and Court Cost	Civil	Total
Additions			
Deposits	<u>\$ 968,977</u>	<u>\$ 74,187</u>	<u>\$ 1,043,164</u>
Deductions			
Deposits settled to:			
Intergovernmental	728,136	28,453	756,589
Personnel services	-	44,349	44,349
General and administration	100	663	763
Postage	-	722	722
Transfer to general fund	<u>240,741</u>	<u>-</u>	<u>240,741</u>
Total deductions	<u>968,977</u>	<u>74,187</u>	<u>1,043,164</u>
Change in net assets	-	-	-
Net assets at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements

December 31, 2009

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 Codification Sec. 2600, *Reporting Entity and Component Unit Presentation and Disclosure*.

Reporting Entity. The city court judge is an independently elected official. However, the city court is fiscally dependent on the City of Port Allen, Louisiana for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the city court is fiscally dependent on the city, the city court was determined to be a component unit of the City of Port Allen, Louisiana, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the city court and do not present information on the City of Port Allen, Louisiana, 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 maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain court functions and activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

Governmental Funds. 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 and it accounts for all financial resources, except those required to be accounted for in other funds. 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.

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. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Codification Sec. N50, *Nonexchange Transactions*.

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.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

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:

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.

Reconciliation. A reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets is provided on page 8. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities is provided on page 10.

Budgets. The proposed budget for the 2009 fiscal year was made available for public inspection at the City Court's office on December 17, 2008. 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 7); therefore, adjustments were made on page 22 to remove on-behalf payments from the actual amounts for comparison purposes to the budgeted amounts.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

Cash and Cash Equivalents. Cash includes amounts in demand deposits. Cash equivalents would include amounts in time deposits and those investments with original maturities of 90 days or less. 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 limited by Louisiana Revised Statute (R.S.) 33:2955 and include Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at market value. Interest is accrued as earned.

Capital Assets. Capital assets are capitalized at historical cost or estimated cost. The Court maintains a threshold level of \$2,500 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.

Description	Estimated Lives
Leasehold improvements	39
Furniture and fixtures	10
Equipment	5

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.

Subsequent Events. Subsequent events have been evaluated through June 28, 2010, which is the date the financial statements were issued.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

2. Cash

At December 31, 2009, the City Court of Port Allen has cash in demand deposit accounts with a book balance of \$282,920 including \$135,979 attributable to fiduciary funds, which is not presented in the statement of net assets.

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 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, 2009, the Court has \$286,546 in deposits (collective bank balances). These deposits are secured from risk by federal deposit insurance.

3. Investments

As of December 31, 2009, the change in the Court's investments as reported as follows:

	Change in Investments	
	Amortized Cost	Fair Value
Balance, December 31, 2008	\$ 161,204	\$ 161,204
Add:		
Investment purchases	316	316
Total	161,520	161,520
Less-redemptions	120,000	120,000
Balance December 31, 2009	\$ 41,520	\$ 41,520

Investments held at the City Court of \$41,520 are invested 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 assessor 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.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

The LAMP Corporation is governed by a board of directors comprising the State treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local government entities that 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.

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.

Credit Risk

The credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations (rating agencies) such as Standard & Poor's (S & P) and Moody's.

As of December 31, 2009, all of the Court's investments in LAMP are rated AAA and Aaa by Standard & Poors and Moody's respectively. U.S. Government obligations are explicitly guaranteed by the U.S. government and are not risk rated.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools). The Court's investments are diversified to eliminate the risk of loss of both principal and income resulting from the over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

4. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2009 are as follows:

Governmental Activities	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
Equipment	\$ 64,240	\$ -	\$ 16,529	\$ 47,711
Furniture and fixtures	19,281	-	-	19,281
Leasehold improvements	14,021	-	-	14,021
Total	97,542	-	16,529	81,013
Less accumulated depreciation:				
Equipment	54,035	4,082	16,529	41,588
Furniture and fixtures	9,398	1,928	-	11,326
Leasehold improvements	2,997	359	-	3,356
Total	66,430	6,369	16,529	56,270
Capital assets, net	\$ 31,112	\$ (6,369)	\$ -	\$ 24,743

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.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2009

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 18.5% 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, 2009, 2008 and 2007, were \$6,455, \$6,870, and \$6,336 respectively, and were equal to the required contributions for each year.

6. Related Party Transactions

The City of Port Allen, Louisiana incurs expenditures on behalf of the Court. During the year ended December 31, 2009, the City paid the expenditures for other services and supplies in the amount of \$10,074 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, 2009, the portion of fines collected by the Court, which were available for distribution to the City, totaled \$68,293. 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 \$53,007.

7. On-Behalf Payments for Fringe Benefits and Salaries

In accordance with GASB Codification N50, *Non-exchange Transactions*, Sec. 129 on-behalf payments for fringe benefits and salaries 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	\$ 79,802
State of Louisiana	40,276
West Baton Rouge Parish	2,761
	<hr/>
	\$ 122,839

CITY COURT OF PORT ALLEN, LOUISIANA

Required Supplemental Information

December 31, 2009

CITY COURT OF PORT ALLEN, LOUISIANA

For the Year Ended December 31, 2009

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Governmental Fund Type - General Fund

	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Budget		Variance Favorable (Unfavorable)
				Original	Final	
Revenues						
Court fees, fines, and cost	\$ 233,813	\$ -	\$ 233,813	\$ 210,000	\$ 210,000	\$ 23,813
Intergovernmental	141,235	(122,839) (1)	18,396	15,000	15,000	3,396
Interest	9,347	-	9,347	8,000	8,000	1,347
Total revenues	384,395	(122,839)	261,556	233,000	233,000	28,556
Expenditures						
Current						
General and administration	53,201	-	53,201	70,000	70,000	16,799
Travel	11,994	-	11,994	10,000	10,000	(1,994)
Dues and subscriptions	1,501	-	1,501	1,000	1,000	(501)
Office expense and maintenance	21,743	-	21,743	45,000	45,000	23,257
Personnel expenses	227,832	(122,839) (1)	104,993	75,000	75,000	(29,993)
Total current expenditures	316,271	(122,839)	193,432	201,000	201,000	7,568
Capital outlays	-	-	-	1,000	1,000	1,000
Total expenditures	316,271	(122,839)	193,432	202,000	202,000	8,568
Revenues Over (Under) Expenditures	68,124	-	68,124	31,000	31,000	37,124
Fund Balance						
Beginning	260,132	-	260,132	260,132	260,132	-
Ending	\$ 328,256	\$ -	\$ 328,256	\$ 291,132	\$ 291,132	\$ 37,124

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.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES**

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

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, 2009, 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. 38:2211-2296 (the public bid law).

No expenditures exceeding \$20,000 were made during the year for materials, supplies and no expenditures exceeding \$100,000 were made during the year for 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 (2).

Budgeting

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

Management provided us with a copy of the original budget.

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 17, 2008.

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 five of the six selected disbursements. One item was reclassified from office expense to conferences.

- 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 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 prior year report, dated June 26, 2009, 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 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 & Alf-ord, LLC
June 28, 2010

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings

December 31, 2009

Material Weaknesses

Item 2009-1 *The size of the City Court and the limited number of employees does not permit an adequate segregation of employee duties for effective internal accounting control over the financial reporting (journal entry preparation, approval and recordation) cycles.*

Criteria. Financial reporting under the control of one person represents a failure to segregate incompatible accounting activities.

Effect. The condition is such that errors, either intentional or unintentional, in the processing of financial reports, 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. To the extent that it is practical to do so, management should segregate employee duties and perform supervisory reviews.

Auditee's Response. We have determined that the cost to solve this problem may exceed the benefit. We are aware of the duties assigned to employees and have taken appropriate actions and supervision to mitigate the effect of the lack of segregation of duties. Based on the size of the City Court, we believe that our actions are appropriate and that there are no other procedures that we believe would be cost effective.

Item 2009-2 *Financial statements are required to be prepared in accordance with generally accepted accounting principles.*

Criteria. Auditing Standards AU Sec 325, *Communicating Internal Control Related Matters Identified in an Audit*, issued by the American Institute of Certified Public Accountants, requires auditors to report control deficiencies that relate to internal control over financial reporting as well as internal control over compliance. That pronouncement identifies a failure to prepare financial statements in accordance with generally accepted accounting principles to be a significant deficiency.

Cause. The City Court of Port Allen does not have personnel on staff with sufficient expertise and training to apply generally accepted accounting principles in preparing its financial statements.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings

December 31, 2009

Effect. The Court is unable to prepare financial reports in accordance with generally accepted accounting principles.

Recommendation. Management should continue to evaluate the cost and related benefit of retaining personnel with technical expertise sufficient to prepare financial statements in accordance with generally accepted accounting principles.

Auditee's Response. The size of the Court's accounting and administrative staff do not warrant retaining personnel with such specialized expertise. Management has determined it is most cost effective to request that the auditor assist with preparing year-end financial statements presented in accordance with generally accepted accounting principles.

Comments on Resolution of Prior Findings

Findings 2009-1 and 2009-2 were reported in the prior year. There were no other prior year findings.