

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

ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2011

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 JUL 25 2012

DONALD C. De VILLE
Certified Public Accountant
7829 Bluebonnet Boulevard
Baton Rouge, Louisiana 70810

**CITY MARSHAL OF PORT ALLEN
PORT ALLEN, LOUISIANA**

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Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

INDEPENDENT AUDITOR'S REPORT

May 10, 2012

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

I have reviewed the accompanying financial statements of the governmental activities and each major fund of the City Marshal of Port Allen, as of and for the year ended December 31, 2011, which collectively comprise the City Marshal's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of 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.

Management of 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. 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.

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. The budgetary comparison information on page 26 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in a 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 supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

As described in Note 1 to the financial statements, the City Marshall has adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011.

Management has omitted the Management's Discussion and Analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by 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.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, I have issued a report dated May 10, 2012, on the results of my agreed-up procedures for compliance with laws and regulations.

A handwritten signature in black ink, appearing to read "Willie Dewille", is written diagonally across the page.

Basic Financial Statements

Government-Wide Financial Statements

**CITY MARSHALL OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF NET ASSETS
DEMBER 31, 2011**

ASSETS:

Cash	\$584,303
Certificates of Deposit	112,687
LAMP Investments	170,284
Intergovernmental Receivables	30,095
Prepaid Insurance	4,768
Capital Assets, net of accumulated depreciaton	40,964
Total Assets	943,101

LIABILITIES:

Accounts Payable	\$0
Total Liabilities	0

NET ASSETS

Investment in Capital Assets, net of debt	40,964
Unrestricted	902,137
Total Net Assets	943,101

See accompanying notes and independent accountant's review report.

CITY MARSHALL OF PORT ALLEN
 PORT ALLEN, LOUISIANA
 STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2010

	Program Revenues			Net (Expenses) Revenues and Increases (Decreases) in Net Assets
	Charges for Expenses	Operating Services	Grants & Contributions	
			Capital Grants & Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES				
PUBLIC SAFETY				
SUPPORT SERVICES				
Law Enforcement	\$349,962	\$443,882	\$18,475	\$0
Total Governmental Activities	349,962	443,882	18,475	0
General Revenues:				
Witness Fees				23,542
Investment earnings				8,059
Other general revenues				0
Total general revenues and transfers				31,601
Change in Net Assets				143,996
Net assets-beginning				799,105
Net assets-ending				943,101

See accompanying notes and independent accountant's review report.

Fund Financial Statements

**CITY MARSHALL OF PORT ALLEN
 PORT ALLEN, LOUISIANA
 BALANCE SHEET - GOVERNMENTAL FUNDS
 DECEMBER 31, 2011**

ASSETS:

Cash	\$584,303
Certificates of Deposit	112,687
LAMP Investments	170,284
Intergovernmental Receivables	30,095
Prepaid Insurance	4,768
Total Assets	902,137

LIABILITIES:

Accounts Payable	\$0
Total Liabilities	0

FUND BALANCES:

Nonspendable:	
Prepays	4,768
Unassigned	897,369
	902,137
Total Liabilities and Fund Balances	902,137

See accompanying notes and independent accountant's review report.

**Reconciliation of Fund Balances on the Balance Sheet
For Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets**

**CITY MARSHALL OF PORT ALLEN
Port Allen, Louisiana
December 31, 2011**

Fund Balances - Total Governmental Funds	\$902,137
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Add: Capital Assets

98,700

Deduct - Accumulated depreciation

(57,736)

Net adjustments

40,964

Net Assets of Governmental Activities

943,101

See accompanying notes and independent accountant's review report.

**CITY MARSHALL OF PORT ALLEN
 PORT ALLEN, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

REVENUE	
Intergovernmental	\$443,882
Witness fees	23,542
On Behalf Payments	18,475
Interest Income	8,059
Miscellaneous Income	0
Total Revenue	<u>493,958</u>
 EXPENDITURES	
PUBLIC SAFETY	
Salaries	251,000
Fringe	2,495
Travel	1,599
Operating Services	69,149
Operating Supplies	14,385
Capital Outlay	15,326
Total Expenditures	<u>353,954</u>
 Excess of Revenues Over (Under) Expenditures	 140,004
 Fund Balance, Beginning of Year	 <u>762,133</u>
 Fund Balance, End of Year	 <u>902,137</u>

See accompanying notes and independent accountant's report.

**Reconciliation of Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

**CITY MARSHALL OF PORT ALLEN
Port Allen, Louisiana
For the Year Ended December 31, 2011**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds **\$140,004**

Amounts reported for governmental activities in the statements of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Add: Capital outlays	15,326
Deduct - depreciation expense	(11,041)
Deduct - accumulated depreciation adjustment	<u>(293)</u>
Net Adjustment	<u>3,992</u>

Change in Net Assets of Governmental Activities **143,996**

See accompanying notes and independent accountant's review report.

Notes to the Financial Statements

CITY MARSHAL OF PORT ALLEN NOTES TO FINANCIAL STATEMENTS

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 the 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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 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.

B. 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 the provisions of this statement, 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.

C. 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. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

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 primary operating fund of the City Marshal 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 City Marshal policy.

MARSHAL OF PORT ALLEN NOTES TO FINANCIAL STATEMENTS

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, 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 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 City Marshal operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. 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 to be susceptible to accrual and so 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.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets and the column labeled Statement of Activities display information about the City Marshal as a whole. These statements include all the financial activities of the City Marshal. Information contained in these columns 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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

E. BUDGETS

The City Marshal uses the following budget practices:

1. Annually in the fall of each year the City Marshal's management submits a proposed operation budget for the general fund prepared on the GAAP basis to the City Marshal's adoption.
2. 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 West Side Journal, the official journal of the parish.

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

E. BUDGETS (Continued)

3. Appropriations (unexpended budget balances) lapse at year-end.
4. There are no outstanding encumbrances.
5. The GAAP basis is used in preparing and reporting the budgets and those funds not budgeted .
6. The Board of Control will meet time to time to make changes or amendments within the various budget categories.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are considered to be 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 deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

G. INVESTMENTS

Investments for the City Marshal are reported at fair value. Investments are limited by Louisiana Revised Statute (R.S) 33:2955 and the Clerk's investment policy. 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.

H. INVENTORIES

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

I. 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.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). 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 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 Years
Furniture and fixtures	5-7 Years
Vehicles	3 Years
Machinery and Equipment	5-10 Years

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

K. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the Fire District implemented GASB Statement 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. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

Non-spendable: This classification 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.

Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:

- A. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws of regulations of other governments; or
- B. Imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Fire District. These amounts cannot be used for any other purpose unless the board of directors 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 Fire District did not have any committed resources as of 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 Fire District that has the authority to assign amounts to be used for specific purposes. The Fire District's management has not assigned any amounts at year-end.

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

K. Fund Equity – Fund Financial Statements (Continued)

Unassigned: This classification is 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

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At December 31, 2011, the City Marshal's had cash and cash equivalents (book balances) totaling \$584,303 as follows:

Demand Accounts	<u>\$430,532</u>
Business Advantage Account	<u>153,771</u>
Total	<u><u>584,303</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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, 2011, the City Marshal had \$431,741 in deposits (collected bank balances). These deposits are secured from risk by \$431,741 of federal deposit insurance.

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

3. 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 fiscal year-end, the City Marshal's investment balances were as follows:

Type of Investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificate of Deposits	112,687	0	0	\$112,687	0	\$112,687	112,687
Total	<u>112,687</u>	<u>0</u>	<u>0</u>				
Investments not subject to categorization:							
External Investment Pool (LAMP)				170,284		170,284	170,284
Total investments				<u>\$282,971</u>	<u>0</u>	<u>\$282,971</u>	<u>\$282,971</u>

LAMP is administered by LAMP, Inc. 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 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 foreign 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 risk:** 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.

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

- 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 \$8,059.

4. RECEIVABLES

The receivables of \$30,095 at December 31, 30, 2011, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Intergovernmental	<u>\$30,095</u>

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method.

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011, is as follows:

<u>Governmental Activities</u>	<u>December 31,</u> <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>31-Dec</u> <u>2011</u>
Vehicles	\$12,702	\$9,900	\$0	\$22,602
Furniture and Fixtures	6,865	901	0	7,766
Improvements	12,605	0	0	12,605
Equipment	51,202	4,525	0	55,727
Total	<u>83,374</u>	<u>15,326</u>	<u>0</u>	<u>98,700</u>
Less accumulated depreciation:				
Vehicles	4,859	3,989	0	8,648
Furniture and equipment	4,247	980	0	5,227
Improvements	382	315	0	697
Equipment	37,407	5,757	0	43,164
Total	<u>46,695</u>	<u>11,041</u>	<u>0</u>	<u>57,736</u>
Capital assets, net	<u>36,679</u>	<u>4,285 0</u>	<u>0 0</u>	<u>40,964</u>

7. PENSION PLAN

Substantially all 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 municipality 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.

CITY MARSHAL OF PORT ALLEN NOTES TO FINANCIAL STATEMENTS

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 and the City Marshal of Port Allen is required to contribute at an actuarially determined rate. The current rate is 13.50% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City Marshal of Port Allen are established and may be amended by state statute. As provided by R.S. 11:103, 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 City Marshal of Port Allen contributions to the System under Plan A for the years ending December 31, 2011, 2010, and 2009, were \$2,495, \$2,152 and \$2,237, respectively, equal to the required contributions for each year.

The System issues an annual publicly 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, Louisiana 70809, or by calling (504) 925-4810.

8. ON-BEHALF PAYMENTS

GASB Statement Number 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 2010, the City paid salaries and benefits for the City Marshal. On-behalf payments recorded as revenues and expenditures in the financial statements for 2011 totaled \$18,475.

9. RELATED PARTY TRANSACTIONS

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council \$69,069 for the clerical salary and related benefit expenditures during 2010. The City Marshal's salary is paid by the City of Port Allen. In addition to salary, the Marshal received \$6,000 auto allowance and salary and benefits totaling \$18,475 during the year ended December 31, 2011, which is paid from the City Marshal's budget. The City of Port Allen also provides office facilities for the City Marshal.

**CITY MARSHAL OF PORT ALLEN
NOTES TO FINANCIAL STATEMENTS**

10. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There was no litigation pending against the City Marshal as of December 31, 2011.

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, 2011.

11. RISK MANAGEMENT

The City Marshal is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City Marshal has purchase commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the City Marshal's coverage.

12. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through May 10, 2012, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2011.

REQUIRED SUPPLEMENTAL INFORMATION

**CITY MARSHALL OF PORT ALLEN
PORT ALLEN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			GAAP	FAVORABLE
			BASIS	(UNFAVORABLE)
REVENUES:				
Intergovernmental	\$450,000	\$450,000	\$443,882	(\$6,118)
Witness Fees	25,000	25,000	23,542	(1,458)
On-Behalf Payments	0	0	18,475	18,475
Investment Income	3,000	3,000	8,059	5,059
Miscellaneous	0	0	0	0
Total Revenues	478,000	478,000	493,958	15,958
EXPENDITURES:				
Current				
Deputy Marshall Fees Paid	155,000	155,000	152,296	2,704
Other Salaries	85,000	85,000	80,229	4,771
On-Behalf Payments	0	0	18,475	(18,475)
Municipal Employee Retirement	3,000	3,000	2,495	505
Auto Expense	28,500	28,500	28,179	321
Repairs & Maintenance	4,000	4,000	3,087	913
Uniforms	200	200	197	3
Training	2,000	2,000	2,175	(175)
Seminars & Conventions	6,500	6,500	5,499	1,001
Federal Assistance Program	10,000	10,000	9,900	100
Office Expense	2,000	2,000	1,206	794
Insurance	13,000	13,000	12,664	336
Interest	0	0	126	(126)
Supplies	13,500	13,500	12,687	813
Dues & Subscription	500	500	485	15
Legal & Accounting	7,500	7,500	6,800	700
Licenses	1,000	1,000	930	70
Miscellaneous	1,000	1,000	1,198	(198)
Capital Outlay	20,000	20,000	15,326	4,674
Total Expenditures	352,700	352,700	353,954	(1,254)
Excess (Deficiency) Of Revenue Over Expenditures	125,300	125,300	140,004	14,704
FUND BALANCE, Beginning	762,133	762,133	762,133	0
FUND BALANCE, Ending	887,433	887,433	902,137	14,704

See independent accountant's report.

OTHER REPORTS

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

7829 BLUEBONNET BLVD.
BATON ROUGE, LA 70810
(225) 767-7829

Independent Accountant's Report
on Applying Agreed-Upon Procedures

May 10, 2012

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

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of City Marshal of Port Allen, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies 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, 2011, 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, 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.

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

The City Marshal of Port Allen's local award expenditures for all federal programs for the fiscal year follow:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
City of Port Allen, Louisiana	2010	N/A	\$443,882
Total Expenditures			\$443,882

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 purchase were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no purchases exceeding the limits.

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-R.S. 42:1101-1124 (the code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.

The Organization provided me with the required list including the noted information.

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

The Organization provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (13) were also included on the listing obtained from management in agreed-upon procedures (12) as immediate family members.

None of the employees included on the list of employees provided by Management in agreed-upon procedure (12).

Budget

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

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

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

The City Marshall is the entity and there is no minute book.

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

Revenues exceeded budgeted revenue but expenditures exceeded budgeted Expenditures by \$1,254 (less than 1%) because the City Marshall did not budget On-Behalf payments.

Accounting and Reporting

8. For each federal, state, and local award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

I selected six disbursements.

9. For the items selected in procedure 8, I traced the six disbursements to supporting documentation as to proper amount and payee.

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

- 10. For the items selected in procedure 8, I determined if the six disbursements were properly coded to the correct fund and general ledger account.**

All six disbursements were properly coded to the correct fund and general ledger account.

- 11. For the items selected in procedure 8, I determined whether the six disbursements received approval from proper authorities.**

Inspection of documentation supporting each of the six selected disbursements indicated approvals for all by management.

Open Meetings

- 12. Examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).**

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

Debt

- 13. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks loans, bonds, or like indebtedness.**

I inspected bank deposits for the period under examination and noted no deposits which appear to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

I examined the payroll records and noted no payments which may constitute Bonuses, advances or gifts.

Prior Comments and Recommendations

- 17. 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, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies 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.

Hand @ Port Allen

CITY MARSHAL OF PORT ALLEN
SCHEDULE OF PRIOR YEAR'S FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Re</u> <u>No.</u>	Fiscal Year Finding Initially <u>Occurred</u>	<u>Description of Finding</u>	Corrective Action Taken (Yes, No, Partially)	Corrective Action <u>Taken</u>
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None

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

May 7, 2012 (Date Transmitted)

Donald C. De Ville, CPA
7829 Bluebonnet Blvd
Baton Rouge, LA 70810

(Auditors)

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

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

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

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

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

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

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

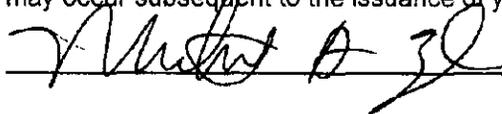
Advances and Bonuses

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

Yes [] No []

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

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



President

5-10-2012-

Date