

MARSHAL OF CITY COURT
OF DENHAM SPRINGS - WARD TWO

REPORT ON AUDIT OF
COMPONENT UNIT FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

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 **NOV 28 2012**

CONTENTS

Independent Auditor's Report.	Page 1 - 2
 Required Supplemental Information	
Management's Discussion and Analysis... ..	3 - 6
 Government-Wide Financial Statements	
Statement of Net Assets	7
Statement of Activities	8
 Fund Financial Statements	
Balance Sheet - Governmental Fund.. . . .	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	11 - 12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	14 - 15
Notes to Financial Statements	16 - 25
 Other Supplementary Information	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	26 - 27
Schedule of Findings and Responses	28
Schedule of Prior Audit Findings.....	29

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
3445 North Causeway Boulevard, Suite 536 • Metairie, LA 70001
Phone 225 928 4770 • Fax 225 926 0945
www.htbcpa.com

October 22, 2012

Independent Auditor's Report

Mr. Jerry Denton
Marshal of City Court of
Denham Springs - Ward Two
Denham Springs, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), and the budgetary comparison statement of the General Fund of the Marshal of City Court of Denham Springs - Ward Two (a component unit of the City of Denham Springs), as of and for the year ended June 30, 2012, which collectively comprise the Marshal's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Marshal. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Marshal's June 30, 2011 financial statements and, in our report dated September 16, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities and the major fund (General Fund)

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund (General Fund) of the Marshal of City Court of Denham Springs - Ward Two as of June 30, 2012, and the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America

Marshal of City Court of
Denham Springs - Ward Two

In accordance with Government Auditing Standards, we have also issued a report dated October 22, 2012, on our consideration of the Marshal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Respectfully submitted,

Thomas J. Bourgeois, CPA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Marshal of City Court of Denham Springs-Ward Two's (Marshal) financial performance provides an overview of the Marshal's financial activities for the year ended June 30, 2012. Please read it in conjunction with the Marshal's financial statements, which begin on, page 7.

FINANCIAL HIGHLIGHTS

The Marshal's net assets decreased by \$44,983, or approximately, 44.68%

The Marshal's total program revenues were \$674,355 compared to \$691,934 last year. Other revenues totaled \$7,587 as compared to \$5,493 last year.

Total expenses for the Marshal's Office during the year ending June 30, 2012 was \$726,925 compared to \$732,956 last year. This was a decrease of \$6,031 or 82%.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities (pages 7 and 8) provide information about the Marshal's activities as a whole. The Balance Sheet for Governmental Funds (page 9) details the assets and liabilities of the governmental funds while the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets (page 10) shows why the amounts reported for governmental activities in the Statement of Net Assets are different. Pages 11 and 12 detail the revenues, expenditures and changes in fund balance of the governmental funds while the reconciliation (page 13) reconciles net changes in fund balances to change in net assets of the Governmental Activities. Pages 14 and 15 reflect the differences in the adopted and actual budgets. The decrease in revenues were primarily due to receiving less court costs. The decrease in expenditures was caused primarily by a decrease in office supplies, police supplies, and capital outlay. Notes to the Financial Statements as a form of explanation follow this report. The Marshal is an independent elected official. However, since the Marshal's office is dependent on the City of Denham Springs to provide office space, a courtroom and related utility costs, as well as reimbursements of a portion of its salaries and related employee benefit costs, the Marshal is determined to be a component unit of the City of Denham Springs. The accompanying financial statements only present information on the funds maintained by the Marshal.

REPORTING THE FUNDS MAINTAINED BY THE MARSHAL OF CITY COURT OF DENHAM SPRINGS-WARD TWO AS A WHOLE:

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

Our analysis of the funds maintained by the Marshal as a whole begins on page 7. The Statement of Net Assets and Statement of Activities report information about the funds maintained by the Marshal as a whole and about its activities in a way which helps answer one of the most important questions asked about the Marshal's finances, "Is the Marshal, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets and liabilities using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash was received or paid

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

We record the funds maintained by the Marshal as governmental activities in the Statement of Net assets and Statement of Activities

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of salaries, fees paid and benefits, office expenses, contract services, memberships, educational and training conferences, vehicle and equipment expenses and operational expenses. Court cost and fees and operating grants and contributions from the City of Denham Springs and the Livingston Parish Council finance most of the activities of the Marshal

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. The Marshal's total net assets decreased from \$100,681 to \$55,698

The largest portion of the Marshal's net assets at June 30, 2012 is in capital assets. The Marshal's office has been able to take advantage of new technology in an effort to provide services to the public in the most efficient and effective manner.

**TABLE I
TOTAL NET ASSETS**

	<u>2012</u>	<u>2011</u>	Increase (Decrease)
Current Assets	\$ 29,098	\$ 68,318	\$ (39,220)
Capital Assets	<u>107,361</u>	<u>141,926</u>	<u>(34,565)</u>
Total	136,459	210,244	(73,785)
Liabilities	80,761	109,563	(28,802)
Net Assets			
Investments in Capital Assets	81,788	95,329	(13,541)
Unrestricted (Deficit)	<u>(26,090)</u>	<u>5,352</u>	<u>(31,442)</u>
Total Net Assets	<u>\$ 55,698</u>	<u>\$100,681</u>	<u>\$ (44,983)</u>

Total Net assets of the funds maintained by the Marshal's governmental activities decreased by \$44,983, or approximately, 44.68%. Unrestricted net assets, the part of net assets that can be used to finance the Marshal's expenses without constraints or other legal requirements, decreased \$31,442 for the year ended June 30, 2012

**TABLE 2
CHANGE IN NET ASSETS
Governmental Activities**

	<u>2012</u>	<u>2011</u>	Increase (Decrease)
Revenues			
Program Revenues			
Court Costs and Fees	\$329,960	\$347,538	\$ (17,578)
Operating Grants and Contributions	344,395	344,396	(1)
General Revenue	<u>7,587</u>	<u>5,493</u>	<u>2,094</u>
Total Revenues	681,942	697,427	(15,485)
Expenses			
General Governmental Judicial Expense	<u>726,925</u>	<u>732,956</u>	<u>(6,031)</u>
Increase (Decrease) in Net Assets	<u>\$ (44,983)</u>	<u>\$ (35,529)</u>	<u>\$ (9,454)</u>

During the fiscal year ended June 30, 2012 Court Costs and Fees received decreased by \$17,578 or approximately 5.06%, while Operating Grants and Contributions decreased by \$1 and General Revenues increased by \$2,094. Total revenues decreased by \$15,485 or approximately 2.22%

Expenses, excluding depreciation expense of \$43,443, decreased by \$9,446 or approximately 1.36%. Salaries and benefits increased by \$11,970 due to pay rate increases but was offset by a decrease of \$23,585 in office expenses.

CAPITAL ASSETS

A van was purchased to transport prisoners around.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Marshal's management considered many factors when setting the operating budget for the fiscal year ending June 30, 2013. As minimal changes are expected in the next fiscal year, anticipated revenues will be approximately \$645,500, while anticipated expenditures will be approximately \$645,500. The 2013 operating budget is a zero based budget with fund balance remaining the same. The Marshal expects to reverse the deficit in the General Fund in the following fiscal year by actively monitoring and controlling expenses. The Marshal also plans to increase the efforts of the office to recover outstanding court costs and fees.

CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview for the funds maintained by the Marshal of City Court of Denham Springs-Ward Two and to show the accountability for the money it receives. If you have any questions or need additional financial information, contact Marshal Jerry Denton at 398 Mayor Herbert Hoover Ave, Denham Springs, Louisiana 70726.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF NET ASSETS

JUNE 30, 2012

With Comparative Totals as of June 30, 2011

	Governmental Activities	
	2012	2011
ASSETS		
Cash and Cash Equivalents	\$ 29,098	\$ 68,318
Capital Assets (Net of Accumulated Depreciation)	107,361	141,926
Total Assets	<u>\$ 136,459</u>	<u>\$ 210,244</u>
LIABILITIES		
Accounts Payable	\$ 20,709	\$ 21,459
Accrued Liabilities	3,098	7,127
Due to Primary Government	25,255	21,719
Due to Other Governments	3,346	3,536
Payroll Taxes Payable	2,780	9,125
Non-Current Liabilities:		
Due Within One Year	15,140	20,547
Due in More Than One Year	10,433	26,050
Total Liabilities	80,761	109,563
NET ASSETS		
Investment in Capital Assets, Net of Related Debt	81,788	95,329
Unrestricted (Deficit)	(26,090)	5,352
Total Net Assets	<u>55,698</u>	<u>100,681</u>
Total Liabilities and Net Assets	<u>\$ 136,459</u>	<u>\$ 210,244</u>

The accompanying notes constitute an integral part of this statement

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012
With Comparative Totals for the Year Ended June 30, 2011

<u>Governmental Activities:</u>	<u>Total Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Expenses:		
Judicial.		
Salaries, Fees Paid and Benefits	\$ 497,869	\$ 485,899
Office Expenses	99,058	122,643
Contract Services	77,749	77,035
Memberships and Educational Conferences	6,621	3,859
Interest Expense	2,185	3,492
Depreciation	43,443	40,028
Total Expenses	726,925	732,956
 Program Revenues:		
Court Costs and Fees	329,960	347,538
Operating Grants and Contributions	344,395	344,396
Net Program Revenues (Expenses)	(52,570)	(41,022)
 General Revenues:		
Miscellaneous Income	4,338	2,094
Donations	3,000	3,200
Interest Income	111	199
Net Gain on Sale of Capital Assets	138	-
Change in Net Assets	(44,983)	(35,529)
 Net Assets - Beginning of Year	100,681	136,210
 Net Assets - End of Year	\$ 55,698	\$ 100,681

The accompanying notes constitute an integral part of this statement

FUND FINANCIAL STATEMENTS

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2012

With Comparative Totals as of June 30, 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Assets:		
Cash and Cash Equivalents	\$ 29,098	\$ 68,318
Total Assets	\$ 29,098	\$ 68,318
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 20,709	\$ 21,459
Accrued Liabilities	3,098	7,127
Due to Primary Government	25,255	21,719
Due to Other Governments	3,346	3,536
Payroll Taxes Payable	2,780	9,125
Total Liabilities	55,188	62,966
Fund Balance:		
Unassigned (Deficit)	(26,090)	5,352
Total Fund Balance	(26,090)	5,352
Total Liabilities and Fund Balance	\$ 29,098	\$ 68,318

The accompanying notes constitute an integral part of this statement

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2012

With Comparative Totals as of June 30, 2011

	<u>2012</u>	<u>2011</u>
Fund Balance - Total Governmental Fund	\$ (26,090)	\$ 5,352
<p>Amounts reported for governmental activities in the statement of net assets are different because</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds</p>		
Governmental Capital Assets	284,607	331,122
Less Accumulated Depreciation	<u>(177,246)</u>	<u>(189,196)</u>
	107,361	141,926
<p>Long-Term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds:</p>		
Capital Lease Payable	<u>(25,573)</u>	<u>(46,597)</u>
	<u>(25,573)</u>	<u>(46,597)</u>
Net Assets of Governmental Activities	<u>\$ 55,698</u>	<u>\$ 100,681</u>

The accompanying notes constitute an integral part of this statement

MARSHAL OF CITY COURT OF DENHAM SPRINGS -WARD TWO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND**

FOR THE YEAR ENDED JUNE 30, 2012
With Comparative Totals for the Year Ended June 30, 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
Charges for Services.		
Court Costs and Fees	\$ 327,118	\$ 345,378
Bond Preparation Fee	934	1,148
Bond Surrender Fee and Bond Forfeiture	<u>1,908</u>	<u>1,012</u>
	329,960	347,538
Intergovernmental Revenues -		
On Behalf Payments	90,378	90,130
Primary Government - City of Denham Springs	216,517	216,094
Livingston Parish Council	37,500	38,172
Miscellaneous Income	4,338	2,094
Donations	3,000	3,200
Interest Income	<u>111</u>	<u>199</u>
Total Revenues	681,804	697,427
Expenditures:		
Judicial:		
Salaries, Fees Paid and Benefits		
Salaries	437,615	441,069
Payroll Tax Expense	40,202	28,735
Retirement Expense	<u>20,052</u>	<u>16,095</u>
	497,869	485,899
Office Expenses:		
Office Supplies and Printed Forms	11,775	22,396
Telephone	12,137	10,020
Postage	2,035	750
Miscellaneous	11,959	15,576
Insurance	40,438	33,435
Uniforms	7,439	13,306
Police Supplies	<u>13,275</u>	<u>27,160</u>
	99,058	122,643

(CONTINUED)

MARSHAL OF CITY COURT OF DENHAM SPRINGS -WARD TWO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2012
With Comparative Totals for the Year Ended June 30, 2011

Expenditures (Continued):	<u>2012</u>	<u>2011</u>
Judicial (Continued)		
Contract Services		
Professional Fees	14,381	13,736
Service Contract	21,791	16,177
Equipment Rental	9,554	9,807
Maintenance	195	1,165
Vehicle Expense	31,828	36,150
	<u>77,749</u>	<u>77,035</u>
Memberships and Educational Conferences.		
Membership Dues and Subscriptions	1,586	2,998
Training	5,035	861
	<u>6,621</u>	<u>3,859</u>
Capital Outlay	10,500	40,381
Debt Service.		
Principal Retirement	21,024	19,867
Interest	2,185	3,492
	<u>23,209</u>	<u>23,359</u>
Total Expenditures	<u>715,006</u>	<u>753,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,202)	(55,749)
Other Financing Sources:		
Proceeds from the Issuance of Capital Lease	-	22,881
Sale of Capital Assets	1,760	-
Total Other Financing Sources	<u>1,760</u>	<u>22,881</u>
Net Change in Fund Balance	(31,442)	(32,868)
Fund Balance - Beginning of Year	<u>5,352</u>	<u>38,220</u>
Fund Balance (Deficit) - End of Year	<u>\$ (26,090)</u>	<u>\$ 5,352</u>

The accompanying notes constitute an integral part of this statement

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2012
With Comparative Totals for the Year Ended June 30, 2011**

	<u>2012</u>	<u>2011</u>
Net Change in Fund Balance - Total Governmental Fund	\$ (31,442)	\$ (32,868)
<p>Amounts reported for governmental activities in the statement of activities are different because</p>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expense exceeded (was less than) depreciation expense in the current period</p>	(32,943)	353
Add accumulated depreciation on capital assets retired during the year	55,393	-
Less cost basis of capital assets retired during the year	(57,015)	-
<p>The issuance of Long-Term Debt (e.g., bonds, leases) provides current financial resources to Governmental Funds, while the repayment of the principal of Long-Term Debt consumes the current financial resources of the Governmental Funds. Neither transaction, however, has any effect on Net Assets</p>		
Proceeds from the Issuance of Capital Lease	-	(22,881)
Repayment of Principal on Long-Term Debt	<u>21,024</u>	<u>19,867</u>
Change in Net Assets of Governmental Activities	<u>\$ (44,983)</u>	<u>\$ (35,529)</u>

The accompanying notes constitute an integral part of this statement

MARSHAL OF CITY COURT OF DENHAM SPRINGS -WARD TWO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Charges for Services				
Court Costs and Fees	\$ 347,500	\$ 327,159	\$ 327,118	\$ (41)
Bond Preparation Fee	1,200	1,312	934	(378)
Bond Surrender Fee and Bond Forfeiture	<u>1,500</u>	<u>2,064</u>	<u>1,908</u>	<u>(156)</u>
	350,200	330,535	329,960	(575)
Intergovernmental Revenues - On Behalf Payments	23,500	39,135	90,378	51,243
Primary Government - City of Denham Springs	217,000	216,557	216,517	(40)
Livingston Parish Council	37,800	37,500	37,500	-
Miscellaneous Income	8,000	4,085	4,338	253
Donations	3,200	3,000	3,000	-
Interest Income	<u>250</u>	<u>250</u>	<u>111</u>	<u>(139)</u>
Total Revenues	<u>639,950</u>	<u>631,062</u>	<u>681,804</u>	<u>50,742</u>
Expenditures:				
Judicial:				
Salaries, Fees Paid and Benefits:				
Salaries	300,500	298,049	437,615	(139,566)
Payroll Tax Expense	82,500	90,465	40,202	50,263
Retirement Expense	<u>25,000</u>	<u>26,067</u>	<u>20,052</u>	<u>6,015</u>
	408,000	414,581	497,869	(83,288)
Office Expenses				
Office Supplies and Printed Forms	17,800	11,752	11,775	(23)
Telephone	10,700	11,343	12,137	(794)
Postage	1,100	1,947	2,035	(88)
Miscellaneous	19,300	11,840	11,959	(119)
Insurance	18,250	39,518	40,438	(920)
Uniforms	14,000	7,583	7,439	144
Police Supplies	<u>27,000</u>	<u>10,777</u>	<u>13,275</u>	<u>(2,498)</u>
	108,150	94,760	99,058	(4,298)

(CONTINUED)

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND - (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Continued):				
Judicial (Continued)				
Contract Services				
Professional Fees	14,000	14,169	14,381	(212)
Service Contract	15,500	21,074	21,791	(717)
Equipment Rental	11,680	9,583	9,554	29
Maintenance	1,175	195	195	-
Vehicle Expense	34,000	30,277	31,828	(1,551)
	<u>76,355</u>	<u>75,298</u>	<u>77,749</u>	<u>(2,451)</u>
Memberships and Educational Conferences				
Membership Dues and Subscription	1,500	1,331	1,586	(255)
Training	3,000	4,092	5,035	(943)
	<u>4,500</u>	<u>5,423</u>	<u>6,621</u>	<u>(1,198)</u>
Capital Outlay	-	14,000	10,500	3,500
Debt Service:				
Principal Retirement	17,400	24,514	21,024	3,490
Interest	5,800	8,172	2,185	5,987
	<u>23,200</u>	<u>32,686</u>	<u>23,209</u>	<u>9,477</u>
Total Expenditures	<u>620,205</u>	<u>636,748</u>	<u>715,006</u>	<u>(78,258)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,745	(5,686)	(33,202)	(27,516)
Other Financing Sources:				
Sale of Capital Assets	-	-	1,760	1,760
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,760</u>	<u>1,760</u>
Net Change in Fund Balance	19,745	(5,686)	(31,442)	(25,756)
Fund Balance - Beginning of Year	<u>5,352</u>	<u>5,352</u>	<u>5,352</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 25,097</u>	<u>\$ (334)</u>	<u>\$ (26,090)</u>	<u>\$ (25,756)</u>

The accompanying notes constitute an integral part of this statement.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1 - Summary of Significant Accounting Policies -

The General Fund of the Marshal of City Court of Denham Springs - Ward Two (the "Marshal") was created to account for revenues received from the Criminal Docket of City Court of Denham Springs - Ward Two

The accounting and reporting policies of the Marshal of City Court of Denham Springs - Ward Two conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units

A. Financial Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the City of Denham Springs for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the City governing authority (Mayor and City Council) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the City and the potential component unit.
4. Imposition of will by the City on the potential component unit.
5. Financial benefit/burden relationship between the City and the potential component unit.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Based on the previous criteria, City Management has included the Marshal of City Court of Denham Springs - Ward Two as a component unit of the City of Denham Springs. Since the Marshal is an elected official and has certain statutorily defined sources of funds for his own operating and/or capital budget discretion, the funds of the Marshal of City Court of Denham Springs - Ward Two will be discretely presented in the City of Denham Springs government-wide financial statements for the year ended June 30, 2012.

B Basis of Presentation

Basic Financial Statements - Government-Wide Statements

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

In the government-wide Statement of Net Assets, the governmental activity column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis.

The government-wide Statement of Activities reports both the gross and net cost of the Marshal's function. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc).

The Marshal does not allocate indirect costs.

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

Basic Financial Statements - Fund Financial Statements

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

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

The Marshal uses the following fund types

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Marshal:

- 1) The General Fund is the general operating fund of the Marshal. It is used to account for all financial resources except those required to be accounted for in another fund. At June 30, 2012, it is the only fund of the Marshal.

C Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual -

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the Marshal consist principally of interest income and fines and fees for services relating to court filings. Interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

2. Modified Accrual -

The governmental funds financial statements are presented on 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 that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund type revenues. Expenditures are recorded when the related fund liability is incurred. Depreciation is not recognized in the Governmental Fund Financial Statements.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

D. Capital Assets

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

Vehicles	5 years
Computer equipment	5 years
Office furniture and equipment	5 to 10 years
Office improvements	10 to 20 years

E. Budgets and Budgetary Accounting

The proposed budget for the General Fund of the Marshal was adopted May 15, 2011 for the fiscal year ended June 30, 2012. The amended budget was adopted June 15, 2012, for the fiscal year ended June 30, 2012.

F. Accumulated Unpaid Vacation and Sick Pay

The Employees of the Marshal of City Court of Denham Springs - Ward Two are not allowed to accumulate vacation or sick time.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

I Fund Balance

As of these financial statements, the Marshal has adopted GASB Statement No 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the Marshal. These amounts cannot be used for any other purpose unless the Marshal removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that are designated as committed by the Marshal but are not spendable until a budget ordinance is passed.

Unassigned - All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet - Governmental Funds (page 9). As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Marshal or the Assignment has been changed by the Marshal. Decreases to fund balance first reduce Unassigned Fund balance, in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

J Summary Financial Information for 2011

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Marshal's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Note 2 - Deposits and Investments -

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit with maturities of 90 days or less. Investments include certificates of deposit with maturities over 90 days. Under state law the Marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Marshal may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2012, the carrying amount of the Marshal's Cash and Cash Equivalents and Investments totaled \$29,098, and the confirmed bank balances were \$62,868. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are to be held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The cash and cash equivalents at June 30, 2012, were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet	\$ 29,098	\$ -	\$ 29,098
Bank Balances (Category 3 Only)			
a Uninsured and Uncollateralized	\$ -	\$ -	\$ -
b Uninsured and Collateralized with Securities Held by the Pledging Institution	-	-	-
c Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent, but not in the Entities Name	-	-	-
Total Category 3 Bank Balances	\$ -	\$ -	\$ -
Total Bank Balances (Regardless of Category)	\$ 62,868	\$ -	\$ 62,868

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Marshal's deposits may not be returned to it. As of June 30, 2012, none of the Marshal's bank balance of \$62,868 was exposed to custodial credit risk because it was completely insured by FDIC.

Note 3 - Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2012 is as follows

<u>Governmental Activities</u>	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Office Equipment	\$ 21,489	\$ -	\$ -	\$ 21,489
Furniture and Fixtures	17,111	-	-	17,111
Machinery and Equipment	44,073	-	-	44,073
Vehicles	235,920	10,500	(57,015)	189,405
Leasehold Improvements	<u>12,529</u>	<u>-</u>	<u>-</u>	<u>12,529</u>
Totals	331,122	10,500	(57,015)	284,607
Less Accumulated				
Depreciation for:				
Office Equipment	(14,711)	(1,969)	-	(16,680)
Furniture and Fixtures	(9,509)	(2,079)	-	(11,588)
Machinery and Equipment	(33,419)	(4,016)	-	(37,435)
Vehicles	(126,934)	(34,347)	55,393	(105,888)
Leasehold Improvements	<u>(4,623)</u>	<u>(1,032)</u>	<u>-</u>	<u>(5,655)</u>
Total Accumulated Depreciation	<u>(189,196)</u>	<u>(43,443)</u>	<u>55,393</u>	<u>(177,246)</u>
Capital Assets, Net	<u>\$ 141,926</u>	<u>\$ (32,943)</u>	<u>\$ (1,622)</u>	<u>\$ 107,361</u>

Depreciation expense was charged to governmental activities as follows

Judicial	<u>\$ 43,443</u>
----------	------------------

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Note 4 - Long Term Liabilities -

Capital Lease Payable The Marshal entered into a capital lease agreement on November 3, 2009, for financing the purchase of a 2010 Chevrolet Tahoe for the deputies. The lease requires monthly payments of principal and interest of \$618 for forty-eight months with a final payment due January 19, 2014. In addition, the Marshal entered into a capital lease agreement on November 5, 2009, for financing the purchase of a 2010 Ford Crown Victoria for the deputies. The lease requires quarterly payments of principal and interest of \$2,332 for twelve quarters with a final payment due August 5, 2012. The Marshal entered into a capital lease agreement on July 9, 2010, for financing the purchase of a 2010 Chevrolet Express for transporting prisoners. The lease requires monthly payments of principal and interest of \$530 for forty-eight months with a final payment due July 9, 2014. The lease agreements contain a non-appropriation exculpatory clause that allows cancellation if the Marshal does not make an annual appropriation for the lease payments. The capital leases payable at June 30, 2012, are as follows:

<u>Description/Purpose</u>	<u>Original Lease Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2012</u>
Capital lease to finance the purchase of 2010 Chevrolet Tahoe	\$ 26,727	5.50%	01/19/14	\$ 11,235
Capital lease to finance the purchase of 2010 Ford Crown Victoria	\$ 25,801	6.05%	08/05/11	2,297
Capital lease to finance the purchase of 2010 Chevrolet Express	\$ 22,881	5.27%	07/09/14	12,041
				<u>\$ 25,573</u>

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

Capital lease payments to maturity including interest requirements are as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 15,140	\$ 973	\$ 16,113
2014	<u>10,433</u>	<u>255</u>	<u>10,688</u>
Total	<u>\$ 25,573</u>	<u>\$ 1,228</u>	<u>\$ 26,801</u>

Changes in Long-Term Debt Long-term liability activity for the year ended June 30, 2012 is as follows.

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital Lease	<u>\$ 46,597</u>	<u>\$ -</u>	<u>\$ 21,024</u>	<u>\$ 25,573</u>	<u>\$ 15,140</u>

Note 5 - Retirement Commitments -

Employees of the Marshal of City Court of Denham Springs - Ward Two may elect to be members of the Parochial Employees' Retirement System of Louisiana - Plan "B", a multiple-employer public employee retirement system. Contributions to the system are made by both employees and the Marshal's office as a percentage of salaries. Beginning January 1, 2010, the contribution rate for the employer was 10.00% of covered earnings and the rate for the employee was 3.00% of covered earnings. For the fiscal year ended June 30, 2012, the Marshal contributed \$20,052. Data concerning the actuarial status of the system at June 30, 2012, is not currently available.

All employees of the Marshal's office are also covered by the Social Security System. The Marshal's office contributed \$30,538 to the System in fiscal year 2012, as its share of employer contributions.

Note 6 - On-Behalf Payments for Salaries and Benefits -

The Marshal follows Government Accounting Standards Board Statement No. 24 "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance." This standard requires the Marshal to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana, the City Court of Denham Springs - Ward Two, and the Livingston Parish Council. These payments were made directly to the Marshal and his employees.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

The Marshal is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by each of the entities to the Marshal and the employees.

For the fiscal year ended June 30, 2012, State supplemental payments to the Marshal and employees amounted to \$22,982 while payments from the City Court and the Livingston Parish Council amounted to \$50,321 and \$17,075, respectively

Note 7 - Revenues and Expenditures - Actual Compared to Budget -

The Marshal had actual expenditures and/or other uses over budgeted expenditures and/or other uses by 5% or more for the year ended June 30, 2012 as follows.

<u>General Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Judicial Expenditures	\$ 636,748	\$ 715,006	\$ (78,258)

State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more

Note 8 - Deficit Fund Equity -

At June 30, 2012, the Marshal's General Fund deficit is (\$26,090). This accumulated deficit is caused by expenditures exceeding revenues during the current year. The Marshal expects to reverse this deficit in the General Fund in the following fiscal year by actively monitoring and controlling expenses. The Marshal also plans to increase the efforts of the office to recover outstanding court costs and fees

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
3445 North Causeway Boulevard, Suite 536 • Metairie, LA 70001
Phone 225 928 4770 • Fax 225 926 0945
www.htbcpa.com

October 22, 2012

Mr. Jerry Denton
Marshal of City Court of
Denham Springs - Ward Two
Denham Springs, Louisiana

We have audited the financial statements of the governmental activities, the major fund (General Fund), and the budgetary comparison statement of the General Fund of the Marshal of City Court of Denham Springs - Ward Two (a component unit of the City of Denham Springs), as of and for the year ended June 30, 2012, which collectively comprise the Marshal's basic financial statements, and have issued our report thereon dated October 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Marshal's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Marshal's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Marshal's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Marshal of City Court of
Denham Springs - Ward Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings and responses as item 2012-01.

The Marshal's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Marshal's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document, and its distribution is not limited.

Respectfully submitted,

Harold J. Bourgeois, CPA

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2012

Current Year Findings:

(A) Findings - Internal Control over Financial Reporting

None

(B) Findings - Compliance and Other Matters

Finding 2012-01: Failure to Properly Amend Budget

State Law (LSA-R S 39:1310) requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more. The Marshal has a difference of more than 5% between budgeted and actual expenditures. Also, the Marshal did not provide projected balances on the Budget Statement Template as required by LSA-R S 39:1305 C.(2)(a).

<u>Final</u> <u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Unfavorable Variance</u>	<u>Percentage</u> <u>Unfavorable Variance</u>
\$ <u>636,748</u>	\$ <u>715,006</u>	\$ <u>(78,258)</u>	<u>12.29%</u>

Recommendation:

We recommend that the Marshal's office familiarize themselves with all of the provisions of the Louisiana Local Government Budget Act to make sure all relevant statutes are followed in the future. We also recommend that the Marshal more closely monitor expenditures throughout the year to better able themselves to properly adhere to their budget. This is the third year in a row for this finding.

Management's Response:

We agree with the auditor's recommendation and will re-familiarize ourselves with the provisions of the Louisiana Local Government Budget Act to ensure that all relevant statutes are followed in the future and will amend the budget as necessary.

MARSHAL OF CITY COURT OF DENHAM SPRINGS - WARD TWO

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2012

Findings - Internal Control over Financial Reporting

None

Findings - Compliance and Other Matters

Finding 2011-01: Failure to Properly Amend Budget

State Law (LSA-R S 39 1310) requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more. The Marshal has a difference of more than 5% between budgeted and actual expenditures.

<u>Final</u> <u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Unfavorable Variance</u>	<u>Percentage</u> <u>Unfavorable Variance</u>
<u>\$618,550</u>	<u>\$753,176</u>	<u>\$(134,626)</u>	<u>21.76%</u>

Recommendation:

We recommended that the Marshal's office familiarize themselves with all of the provisions of the Louisiana Local Government Budget Act to make sure all relevant statutes are followed in the future. We also recommended that the Marshal more closely monitor expenditures throughout the year to better able themselves to properly adhere to their budget.

Corrective Action Taken:

During the current year, we noted that the budget was amended but still was not in compliance with State Law (LSA-R S 39 1310) which requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more. See current year finding 2012-01. This is the third year for this compliance finding.