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CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA

Financial Statements
With Accountant's Review/Attestation report
As of and for the Year Ended December 31, 2007

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 8/6/08

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA

Annual Financial Statements
With Accountant's Review Report
As of and for the Year Ended
December 31, 2007

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INDEPENDENT ACCOUNTANT'S REPORT

June 30, 2008

Mike Zito
Port Allen City Marshal
Port Allen, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Port Allen, a component of the City of Port Allen, as of and for the year ended December 31, 2007, which collectively comprise the Marshal's basic financial statements as listed in the table of contents, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. These financial statements are the responsibility of the management of the Port Allen City Marshal.

My review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards issued by the Comptroller General of the United States of America. A review consists principally of inquires of the Port Allen City Marshal's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order form them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedule 1 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.

Management's discussion and analysis, supplementary information required by the Governmental Accounting Standards Board, is not a required part of the basic financial statements. The Port Allen City Marshal of West Baton Rouge Parish has not presented this information as part of the financial report for the years ended December 31, 2007.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, I have issued a report dated June 30, 2008, on the results of my agreed-upon procedures for compliance with laws and regulations.



ANNUAL FINANCIAL STATEMENTS
(OVERVIEW)

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	<u>2007</u>
<u>ASSETS</u>	
Cash & cash equivalents	\$ 88,178
Certificates of deposit	102,312
LAMP investment	165,178
Due from other governmental agencies	17,433
Prepaid insurance	4,921
Capital Assets (Net of Accumulated Depreciation)	<u>28,023</u>
 <u>Total Assets</u>	 <u>\$ 406,045</u>
 <u>NET ASSETS</u>	
Investment in capital assets	28,023
Unrestricted	<u>378,022</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 406,045</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>EXPENDITURES</u>	<u>2007</u>
General governmental:	
Deputy Marshal fees paid	\$ 123,427
Other salaries	21,600
Auto expense	18,105
Repairs and maintenance	103
Seminars and conventions	2,835
Payroll taxes and worker compensation	1,802
Retirement	1,558
Training	135
Travel	9,696
Uniforms	484
Depreciation	6,033
Office expense and supplies:	
Office expense	1,794
Insurance	6,149
Supplies	3,405
Dues and subscriptions	525
Legal and accounting	5,410
Miscellaneous	<u>860</u>
Total Expenditures	<u>203,921</u>
 <u>REVENUES</u>	
City court fines and off-duty reimbursement	307,130
Witness fees	21,797
Grant funds for capital additions	1,000
Interest income	<u>8,647</u>
Total Revenues	<u>338,574</u>
 <u>CHANGE IN NET ASSETS</u>	 <u>\$ 134,653</u>
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	 <u>271,392</u>
 <u>NET ASSETS AT END OF YEAR</u>	 <u>\$ 406,045</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
BALANCE SHEET GOVERNMENTAL FUND
DECEMBER 31, 2007

	<u>2007</u>
<u>ASSETS</u>	
Cash & cash equivalents	\$ 88,178
Certificates of deposit	102,312
LAMP investment	165,178
Due from other governmental agencies	17,433
Prepaid insurance	<u>4,921</u>
Total Assets	<u>\$ 378,022</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Fund Balance</u>	
Fund Balances (unreserved)	<u>378,022</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$ 378,022</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

Fund Balance at December 31, 2007—Governmental Fund (Statement C)	\$378,022
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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. Those assets consist of:

Cost of Capital Assets at December 31, 2007	\$ 50,904	
Less Accumulated Depreciation as of December 31, 2007	(22,881)	<u>28,023</u>
Net Assets at December 31, 2007		<u>\$406,045</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUND TYPE-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>REVENUES</u>	<u>2007</u>
City court fines and off-duty reimbursement	\$ 307,130
Witness fees	21,797
Grant funds for capital additions	1,000
Interest income	<u>8,647</u>
Total Revenues	<u>338,574</u>
<u>EXPENDITURES</u>	
General governmental:	
Deputy Marshal fees paid	123,427
Other salaries	21,600
Auto expense	18,105
Repairs and maintenance	103
Seminars and conventions	2,835
Payroll taxes and worker compensation	1,802
Retirement	1,558
Training	135
Travel	9,696
Uniforms	484
Capital outlay	11,604
Office expense and supplies:	
Office expense	1,794
Insurance	6,149
Supplies	3,405
Dues and subscriptions	525
Legal and accounting	5,410
Miscellaneous	<u>860</u>
Total Expenditures	<u>209,492</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>129,082</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>248,940</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 378,022</u>

See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net changes in fund balances—Total governmental fund (Statement B)	\$ 134,653
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balances	(11,604)
Depreciation expense for the year ended December 31, 2007	<u>6,033</u>

Changes in net assets of governmental activities (Statement E)	<u>\$ 129,082</u>
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See accompanying notes and Accountant's report.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City Marshal is a component unit of the City of Port Allen, 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 City Marshal component unit fund and do not present information on the City of Port Allen or any of the other governmental units that comprise the City of Port Allen. The Marshal is an elected official and serves six-year terms. 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 Court of Port Allen, Louisiana.

B. Basis of Presentation

The accompanying financial statements of the City Marshal Mike Zito, Port Allen, Louisiana, have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles.

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 funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Marshal had no activities that are categorized as business type activities.

In the government-wide Statement of Net Assets, the governmental activity column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net assets are reported in three parts: invested in capital assets, net of related debt, restricted net assets and unrestricted net assets.

The government-wide Statement of Activities reports both gross and net costs 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. These revenues are derived from fees charged for services. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflect capital-specific grants.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

The 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. The funds and account groups used by the Marshal are as follows:

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 principal fund of the Marshal. It is used to account for all financial resources. At December 31, 2007, it is the only fund of the Marshal.

C. Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

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 recognized when earned. Fines and fees for services are recorded when the amount is determinable.

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 the amount of the transaction can be determined and "available" means collectible with

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

the current period or soon enough thereafter to be used to pay liabilities of the current period. The 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.

Those revenues of the Marshal susceptible to accrual are fees due from the City of Port Allen and other governmental units. Substantially all other revenues are recorded when received.

Depreciation is not recognized in the Governmental Fund Financial Statements.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing time deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less.

Louisiana revised statutes authorize the Marshal to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-RS 39:1271, or any other federally insured investments, or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies

E. 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. All capital assets are depreciated using the straight-line method over the following estimated useful lives:

Furniture and Fixtures	5 to 10 years
Vehicles	5 years
Equipment	5 to 10 years

F. Allowance for Uncollectible Receivables

The financial statements for the Marshal do not contain an allowance for uncollectible receivables. All receivables that are considered uncollectible are recorded as a bad debt expense in the period that they become uncollectible.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

G. Vacation and Sick Leave

Currently all Deputy Marshal services and secretarial services are provided on a contract type basis with fees paid to the individuals when services are provided. The Marshal's office does not have any employees under this arrangement and consequently does not have any vacation or sick leave obligation.

H. Long-Term Obligations

Long-term obligations expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for principle and interest payments for long-term obligations are recognized in the General Fund when due. There were no long-term obligations as of December 31, 2007.

I. 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 any debt proceeds used for the acquisition of those assets, if any. Net assets are reported as restricted when there are legal limitations imposed on their use. The Marshal has no restricted net assets.

J. Budget Practices

Formal budgetary accounting is employed as a management control devise during the year for the general fund. The budget is adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP). All appropriations, which are not expended, lapse at year-end.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

NOTE #2: CASH 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. At December 31, 2007, the carrying amount of the Marshal's cash and cash equivalents and investments totaled \$355,668 as follows:

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #2: CASH AND CASH EQUIVALENTS (CONTINUED)

Demand deposit	\$ 88,178
Investment in Certificates of deposit	102,312
Investment in LAMP	<u>165,178</u>
	<u>\$355,668</u>

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balance) 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, 2007, the Marshal has \$190,490 in demand deposits and investments in certificates of deposit. These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

The remaining investment balance of \$165,178 was held in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2007 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book form.

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 of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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

The dollar weighted average portfolio 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

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #2: CASH AND CASH EQUIVALENTS (CONTINUED)

LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE #3: CHANGES IN CAPITAL ASSETS

	<u>12/31/2006</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>12/31/2007</u>
Furniture and equipment	\$ 39,299	11,604		\$ 50,903
Accumulated Depreciation	<u>(16,847)</u>	<u>(6,033)</u>	<u> </u>	<u>(22,880)</u>
Total	<u>\$ 22,452</u>	<u>5,571</u>	<u> 0</u>	<u>\$ 28,023</u>

Depreciation expense for the year ended December 31, 2007 was \$6,033.

NOTE #4: RETIREMENT

The Marshal's salary is paid by the City of Port Allen, however, the retirement contribution is made by the Marshal's office. The contribution is made to the Municipal Employee's Retirement System of Louisiana. The Municipal Employee's Retirement System of Louisiana is a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is comprised of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The Marshal is enrolled in Plan A. Contributions to the system are made by both employees and the Marshal's office based on an actuarial determined percentage of salaries and are subject to change each year based on the results of the valuation for the prior year. During 2007, under Plan A, the contribution rate for the employer was 16.25% of covered earnings and the rate for the employee was 9.25% of covered earnings. For the year ended December 31, 2007, the Marshal's office contributed \$1,558.

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 Employee's Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

NOTE #5: LITIGATION AND CLAIMS

There is no litigation pending against City Marshal Mike Zito, Port Allen, Louisiana, at December 31, 2007.

NOTE #6: DUE FROM OTHER GOVERNMENTAL AGENCIES

Receivables in the amount of \$17,433, represent court fines and off-duty reimbursements due from the City of Port Allen as of December 31, 2007. The total amount of these funds are considered collectible; therefore, no provisions have been made for bad debt.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE #7: RELATED PARTY TRANSACTIONS

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council \$23,402 for the clerical salary and related benefit expenses during 2007. The City Marshal's salary is paid by the City of Port Allen. In addition to salary, the Marshal received \$6,000 auto allowance during the years ended December 31, 2007, which is paid from the City Marshal's budget. The City of Port Allen provides office facilities for the City Marshal.

NOTE #8: RISK MANAGEMENT

The City Marshal's office is exposed to various risks for which the City of Port Allen carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE #9: TERM OF OFFICE

Mike Zito is the current City Marshal. Marshal Zito took over the unexpired term of the previous City Marshal on September 28, 2005. The term runs through December 2008.

CITY MARSHAL MIKE ZITO
PORT ALLEN, LOUISIANA
BUDGET COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>Unfavorable</u>
<u>REVENUES</u>				
City court fines and off-duty reimbursement	\$ 320,000	\$ 320,000	\$ 307,130	\$ (12,870)
Witness fees	25,000	25,000	21,797	(3,203)
Grant funds	0	0	1,000	1,000
Interest income	<u>6,000</u>	<u>6,000</u>	<u>8,647</u>	<u>2,647</u>
	<u>\$ 351,000</u>	<u>\$ 351,000</u>	<u>\$ 338,574</u>	<u>\$ (12,426)</u>
<u>EXPENDITURES</u>				
General governmental:				
Deputy Marshal fees paid	130,000	130,000	123,427	6,573
Other salaries	25,000	25,000	21,600	3,400
Auto expense	20,000	20,000	18,105	1,895
Repairs and maintenance	500	500	103	397
Retirement	2,000	2,000	1,558	442
Seminars and conventions	3,000	3,000	2,835	165
Payroll taxes	0	0	1,802	(1,802)
Training	500	500	135	365
Travel	10,000	10,000	9,696	304
Uniforms	500	500	484	16
Office expense and supplies:				
Office expense	2,000	2,000	1,794	206
Insurance	7,000	7,000	6,149	851
Supplies	4,000	4,000	3,405	595
Dues and subscriptions	1,000	1,000	525	475
Legal and accounting	6,000	6,000	5,410	590
Miscellaneous	1,500	1,500	860	640
Capital outlay	<u>0</u>	<u>0</u>	<u>11,604</u>	<u>(11,604)</u>
Total Expenditures	213,000	213,000	209,492	3,508
<u>EXCESS (DEFICIT) OF REVENUE OVER</u>				
<u>EXPENDITURES</u>	<u>138,000</u>	<u>138,000</u>	<u>129,082</u>	<u>(8,918)</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>248,940</u>	<u>248,940</u>	<u>248,940</u>	<u>0</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 386,940</u>	<u>\$ 386,940</u>	<u>\$ 378,022</u>	<u>\$ (8,918)</u>

See Accountant's Report

PHIL T. GRAHAM

CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

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June 30, 2008

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mike Zito
Port Allen City Marshal
Port Allen, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Port Allen City Marshal and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Port Allen City Marshal's compliance with certain laws and regulations during and for the year ended December 31, 2007, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no purchases exceeding the limit.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS- 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Port Allen City Marshal
Mike Zito
June 30, 2008

examination.

The Marshal provided me with the required list.

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

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

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

The Marshal provided me with a copy of the adopted budget. There were no amendments to the budget for 2007.

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

Budget was adopted and published in the required publication.

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

I compared the revenues and expenditures of the adopted budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed the budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a. Trace payments to supporting documentation as to proper amount and payee:

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

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

All items selected were properly coded.

- c. Determine whether payments received approval from proper authorities:

Inspection of documentation supporting each of the six selected disbursements did not indicate approval.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Meetings are not held by the Port Allen City Marshal's office.

Debt

10. 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 listings of bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

As described in note #1 G, there are no employees, only contracted labor. However, I inspected the records for the payments made to the subcontractors for the year and noted no instances which would indicate payments that would constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

12. I reviewed any prior-year suggestions, recommendations and/or comments to determine the extent to which such matters have been resolved.

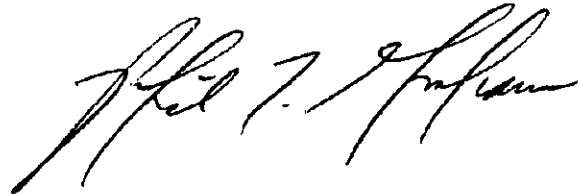
There were no prior year comments or recommendations.

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

Port Allen City Marshal
Mike Zito
June 30, 2008

would have been reported to you.

This report is intended solely for the use of Port Allen City Marshal Mike Zito's office and of the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Mike Zito". The signature is written in a cursive style with a large, sweeping initial "M".

LOUISIANA ATTESTATION QUESTIONNAIRE

June 30, 2008

Phil T. Graham, CPA
7732 Goodwood Blvd, Suite F
Baton Rouge, LA 70806

In connection with your review of our financial statements as of December 31, 2007 and for the two years 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 June 30, 2008.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [X] No []

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

Yes [X] No []

Budgeting

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

Yes [X] No []

Accounting and Reporting

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

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

Meetings

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

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 30 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60--1410.65.

Yes No

Advances and Bonuses

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

Yes No

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

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

Michael A. J. R. City Marshal 6-16-08 Date