

5665

RECEIVED
LEGISLATIVE SESSION
04 SEP 30 PM 2:38

CITY MARSHAL MICHAEL B. CAZES
PORT ALLEN, LOUISIANA

SIX MONTH PERIOD ENDED
JUNE 30, 2004

Under provisions of state law, this report is a public document. Copies of the report have been submitted to the entity and other appropriate public officials. This report is available for public inspection at the State Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-6-04

CITY MARSHAL MICHAEL B. CAZES
NORT ALLEN, LOUISIANA

Financial Statements

For the Six Month Period Ended June 30, 2004
With Supplemental Information Schedules

CONTENTS

	<u>Page No.</u>	
Independent Auditor's Report	1	
Required Supplemental Information	5	
Management's Discussion and Analysis	6	
Basic Financial Statements	12	
	<u>Statement</u>	<u>Page No.</u>
Statement of Net Assets	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	15
Reconciliation of the Governmental Funds Balance Sheet to the Financial Statement of Net Assets	D	16
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	17

CITY MARSHAL MICHAEL B. LAGES
FORT ALLEN, LOUISIANA

CONTENTS (Continued)

	<u>Schedule</u>	<u>Page No.</u>
Notes to the Financial Statements		18
Required Supplemental Information		
Budget Comparison Schedules-General Fund	1	25
Independent Auditor's Reports Required by Government Auditing Standards		
Report on Compliance and on Internal Control over Financial Reporting		27
Schedule of Findings and Questioned Costs		29

JAMES M. CAMPBELL
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
309 Sulfur Bay, First Floor, Suite A-B-C
Baton Rouge, Louisiana 70801

(225) 783-8847
(225) 783-8844
(225) 783-8838 Fax

September 22, 2004

Independent Auditor's Report

Honorable Michael B. Cases
City Marshal of Port Allen
Port Allen, Louisiana

We have audited the basic financial statements of City Marshal Michael B. Cases, a component unit of the City of Port Allen, Louisiana as of June 30, 2004, and for the six month period then ended as listed in the table of contents. These financial statements are the responsibility of the City Marshal Michael B. Cases. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Marshal Michael B. Cases, as of June 30, 2004, and the changes in its financial position for the six month period then ended in conformity with U. S. generally accepted accounting principles.

Member of:
American Institute of Certified Public Accountants
Arkansas Society of Certified Public Accountants
Society of Louisiana CPAs

City Marshal Michael B. Cases
Fort Allen, Louisiana
September 22, 2004

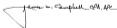
Independent Auditor's Report (Continued)

As described in Note #1, to the financial statements, the City Marshal Michael B. Cases has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as of June 30, 2004.

The management's discussion and analysis, and supplementary information on pages six (6) through eleven (11), are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and reviewing the source of selected information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are prepared for the purpose of additional analysis and are not a required part of the basic financial statements of the City Marshal Michael B. Cases. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated September 22, 2004, on the City Marshal Michael B. Cases compliance with laws, regulations, contracts, and grants, and our consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

 James W. Campbell CPA, CPC

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

CITY MARSHAL MICHAEL B. CAZES
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

We offer readers of the Port Allen City Marshal's financial statements this narrative overview and analysis of the financial activities of the Port Allen City Marshal for the six months ended June 30, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

The Management Discussion and Analysis (MD&A) of the Port Allen City Marshal is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of this new reporting model, the Marshal has elected to exclude the information in this report. Subsequent reports will include this comparative information.

FINANCIAL HIGHLIGHTS

- The Port Allen City Marshal's assets exceeded its liabilities at the close of the six months ended June 30, 2004 by \$125,012.
- Revenues exceed expenses by \$1,428 for the same period.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the Port Allen City Marshal's basic financial statements. The Port Allen City Marshal's basic financial statements comprise two components: (1) basic financial statements, and (2) notes to the financial statements.

General fund financial statements. The general fund financial statements are designed to provide readers with a broad overview of the Port Allen City Marshal's finances, in a manner similar to private sector businesses.

- The Statement of Net Assets shows the "assets" (what is owned), "liabilities" (what is owed) and the "net assets" (the resources that would remain if all obligations were settled) of the marshal. The statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are invested in "fixed" or "capital" assets, such as

CITY MARSHAL MICHAEL B. CAZEN
FORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

buildings, furniture and equipment and other long-lived property; and some assets are available to fund budgets of the following year.

Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Port Allen City Marshal is improving or deteriorating.

- The Statement of Activities shows the amounts of general revenues used to support the Port Allen City Marshal's various functions.

The Statement of Activities presents information showing how the government's net assets changed during the six months ended June 30, 2004. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. (e.g., uncollected revenues).

The basic financial statements present functions of the Port Allen City Marshal that are principally supported by fees and reimbursements for off-duty officers (governmental activities). The Port Allen City Marshal has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as municipally owned utility system. The governmental activities of the Port Allen City Marshal include various law enforcement and administrative activities. The Port Allen City Marshal contains no other units of government (component units) but it is contained as a component unit of the City of Port Allen, Louisiana.

Fund financial statements. A fund is grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The Port Allen City Marshal, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Port Allen City Marshal are governmental funds.

The Port Allen City Marshal adopts annual appropriated budgets for the General Fund.

Budget-to-Actual Comparisons. The budgetary comparison schedule shows how actual expenditures compared to the final budgeted expenditures for the General Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the general fund financial statements.

CITY MARSHAL MICHAEL B. CAZES
FORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

FINANCIAL ANALYSIS OF THE ENTITY

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Fort Allen City Marshal, assets exceed liabilities by \$125,812 at the six months ended June 30, 2004.

Statement of Net Assets
as of June 30, 2004

Current and other assets	\$ 108,400
Capital assets net of depreciation	<u>27,900</u>
Total assets	<u>\$136,300</u>
Liabilities	\$ 2,500
Total liabilities	<u>\$ 2,500</u>
Net assets	
Invested in capital assets	\$ 27,900
Unrestricted	<u>97,900</u>
Total net assets	<u>\$125,800</u>

- Capital assets, which are reported at cost, account for 21.3% of the total assets of the Fort Allen City Marshal for the six months ended June 30, 2004. The Fort Allen City Marshal uses these capital assets to provide law enforcement functions; consequently, these assets are not available for future spending.
- Net assets invested in capital assets account for 21.7% of total net assets reported for the six months ended June 30, 2004.
- The remaining unrestricted net assets in the amount of \$97,900, accounted for 78.3% of total net assets, and are used to meet the Fort Allen City Marshal's ongoing obligations to citizens. Unrestricted net assets increased by \$3,798 or 3.99% from December 31, 2003. The increase is the result of operating revenues exceeding operating expenses by \$1,428 during the six months ending June 30, 2004 and by the investment in capital assets being reduced by depreciation expense of \$1,900, which in turn increases unrestricted net assets.

CITY MARSHAL MICHAEL B. CAZES
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

Statement of Activities
for the six months ended June 30, 2004

Revenues		
Fees and off-duty reimbursement		\$ 51,082
Interest		<u>241</u>
Total		\$ 51,323
Expenses		
General governmental		46,089
Office expense and supplies		4,886
Capital outlay		<u>0</u>
Total		\$ 51,975
Excess of revenues over expenses		\$ 1,428

Since the period being reported on is less than one year, it is difficult to compare the revenues and expenses with the prior year totals. However, revenues as of June 30, 2004 are 13.68% of the December 31, 2003 revenues and operating expenses as of June 30, 2004 are 48.40% of the same expenses compared to December 31, 2003. There have been no capital expenses as of June 30, 2004.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the Port Allen City Marshal uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Port Allen City Marshal's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Port Allen City Marshal's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Port Allen City Marshal's net resources available for operating at the six months ending June 30, 2004.

- As of the six months ended June 30, 2004, the Port Allen City Marshal's governmental funds reported a combined ending balance of \$125,912.
- The General Fund is the chief operating fund of the Port Allen City Marshal. As of the six months ended June 30, 2004, unreserved fund balance of the General Fund was \$97,903.

CITY MARSHAL MICHAEL B. CAZEN
FORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fort Allen City Marshal recognizes the importance of sound fiscal planning. Formal budgetary integration is employed as a management control device during the year. The budget policy of the Fort Allen City Marshal complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 189, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 179.1001 et seq.).

Since the financial statements represent only six months of the budget year, it is difficult to do budget comparisons. However, the following items will be reviewed and the budget will be amended prior to year end if necessary :

Revenues:

- Revenues are 25.42% of the annual budgeted amount. This is mainly due to less off-duty officer reimbursements which is also reflected in the deputy marshal expense.

Expenditures:

- Deputy marshal fees are 28.9% of the annual budgeted amount.
- Repairs and maintenance expense are 50.4% of the total budgeted amount.
- Office expenses and supplies are 21.69% of the annual budgeted amount.
- Legal and accounting expenses are 14.5% of the annual budgeted amount due to the additional fees for audited financial statements. The budget will be revised before year end to reflect this additional cost.
- Capital outlay is budgeted for \$10,000 and there have been no capital expenditures for the six months ending June 30, 2004.

Excess (Deficiency) of Revenues and other financing sources over (under) expenditures and other financing uses:

- The original budget projects a surplus of \$7,800. Since the surplus as of June 30, 2004 is \$1,428, the budgeted surplus appears to be achievable.

CITY MARSHAL MICHAEL B. CAZES
PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2004, the Port Allen City Marshal's investment in capital assets, net of depreciation, for its governmental activities amounted to \$17,999. This investment includes equipment used for law enforcement activities. There were no increases in capital assets for the six months ending June 30, 2004.

Long-term debt. *As of June 30, 2004, the Port Allen City Marshal had no debt outstanding.*

ECONOMIC FACTORS AND CURRENT YEAR'S BUDGETS

The Port Allen City Marshal expects that the year end results will be approximately on budget.

CONTACTING THE PORT ALLEN CITY MARSHAL'S MANAGEMENT

This financial report is designed to provide a general overview of the Port Allen City Marshal's finances for those with an interest in the government's financial position and operations. Questioning concerns about the information provided in this report or request for additional information should be addressed to Michael B. Cazes, Port Allen City Marshal, P. O. Box 93, Port Allen, LA 70767-0093.

BASIC FINANCIAL STATEMENTS

CITY MARSHAL MICHAEL B. CAZES
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

ASSETS

Cash & cash equivalents	\$ 82,845
Revenue receivable	7,758
Capital Assets (Net of Accumulated Depreciation)	27,109
Total Assets	<u>117,712</u>

LIABILITIES

Accounts Payable	<u>2,900</u>
------------------	--------------

NET ASSETS

Investment in Capital Assets	27,109
Unrestricted	<u>97,903</u>
Total Net Assets	125,012
Total Net Assets and Liabilities	\$ <u>122,112</u>

The accompanying notes are an integral part of this statement.

CITY MARSHAL MICHAEL B. CAZES
A COMPONENT UNIT OF THE CITY OF FORT ALLEN
FORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004

	<u>2004</u>
GENERAL GOVERNMENT	
Deputy Marshal fees paid	\$ 23,000
Other salaries	7,850
Auto expense	2,700
Repairs and maintenance	5,499
Seminars and conventions	5,580
Payroll taxes	630
Depreciation	1,970
Office expense and supplies:	
Office expense	111
Supplies	110
Data and subscriptions	212
Legal and accounting	4,350
Miscellaneous	<u>100</u>
Total Expenses	<u>51,872</u>
 REVENUE	
City Court fees and off-duty reimbursement	55,062
Interest income	<u>241</u>
Total Revenue	<u>55,303</u>
 CHANGE IN NET ASSETS	<u>1,431</u>
 NET ASSETS AT BEGINNING OF YEAR	<u>123,584</u>
 NET ASSETS AT END OF YEAR	\$ 125,015

The accompanying notes are an integral part of this statement.

CITY MARSHAL MICHAEL B. CASES
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
BALANCE SHEET GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General Fund</u>
ASSETS	
Cash & cash equivalents	\$ 92,645
Revenues receivable	<u>7,758</u>
Total Assets and Other Debits	<u>100,403</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts Payable	<u>7,500</u>
Fund Equity:	
Fund Balances (unreserved)	<u>92,903</u>
Total Liabilities and Fund Equity	<u>\$ 100,403</u>

The accompanying notes are an integral part of this statement.

CITY MARSHAL MICHAEL B. CAZES
A COMPONENT UNIT OF THE CITY OF FORT ALLEN
FORT ALLEN, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004

Fund Balance at June 30, 2004—Governmental Funds (Statement C)		\$ 97,983
Cost of Capital Assets at June 30, 2004	\$ 55,941	
Less Accumulated Depreciation as of June 30, 2004	<u>(28,842)</u>	<u>27,100</u>
Net Assets at June 30, 2004		<u>\$ 125,612</u>

The accompanying notes are an integral part of this statement.

CITY MARSHAL MICHAEL B. CAZES
A COMPONENT UNIT OF THE CITY OF PORT ALLEN
PORT ALLEN, LOUISIANA
GOVERNMENTAL FUND TYPE-GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004

	2004
REVENUES	
City Court fines and off-duty reimbursement	\$ 53,042
Interest income	<u>281</u>
Total Revenues	<u>53,300</u>
EXPENDITURES	
General governmental:	
Deputy Marshal fees paid	23,130
Other salaries	7,590
Auto expense	2,780
Repairs and maintenance	5,479
Seminars and conventions	5,580
Payroll taxes	630
Capital Outlay	0
Office expense and supplies:	
Office expense	111
Supplies	110
Data and subscriptions	215
Legal and accounting	4,250
Miscellaneous	<u>100</u>
Total Expenditures	48,935
CHANGE IN NET ASSETS	<u>4,365</u>
FUND BALANCE BEGINNING OF YEAR (UNRESTRICTED)	<u>54,935</u>
FUND BALANCE AT END OF YEAR (UNRESTRICTED)	\$ <u>59,300</u>

The accompanying notes are an integral part of this statement.

CITY MARSHAL MICHAEL B. CAZES
PORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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. The City Marshal's office receives its revenue from City Court fines. The City Marshal's portion of these fines are received and deposited monthly. 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.

B. Basis of Presentation

The accompanying financial statements of the City Marshal Michael B. Cazes, 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.

C. Basic Financial Statements/Fund Financial Statements

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments. Certain significant changes in the Statement include the following for the first time:

A Management Discussion and Analysis (MD&A) section providing an analysis of the City Marshal's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the City Marshal's activities.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

CITY MARSHAL MICHAEL B. CAZES
FORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2004

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

Fund Accounting

The accounts of the City Marshal of Fort Allen are organized on the basis of fund financial statements. A fund is a separate accounting entity with a self-balancing set of accounts. Fund financial reporting classify primary activities as either governmental or business type. These funds and account groups are used to report on the City Marshal's financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. Resources are accounted for in individual funds based upon the purpose for which they are to be spent and the restrictions, if any, on the spending activities. The City Marshal of Fort Allen uses the following generic fund types in its activities:

Governmental Fund Types

General Fund - the general operating fund of the Marshal's office, accounts for all financial resources of the City Marshal of Fort Allen that are not required to be accounted for in a special revenue fund (if any).

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual

Both governmental and business type 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.

CITY MARSHAL MICHAEL B. CAZES
BOURBON, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2004

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

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds 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 with the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 90 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

F. 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. Under state law, the Marshal may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or national banks having their principal offices in Louisiana. Investments are stated at cost plus interest if the interest is accrued. Investments include those funds held in the Louisiana Asset Management Pool.

At June 30, 2004, City Marshal Michael B. Cazes has cash and cash equivalents totaling

Demand Deposits	\$ 42,779
Investments	<u>51,454</u>
	<u>\$ 94,233</u>

These deposits are stated at cost, which approximates market. The demand deposit bank balance of \$42,779 was covered by FDIC insurance throughout the year. The remaining balance of \$51,454 was held in the Louisiana Asset Management Pool.

CITY MARSHAL MICHAEL B. CAZES
FORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2004

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

E. Cash and Cash Equivalents (Continued)

Investments held at June 30, 2004 consist of \$51,454 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 June 30, 2004 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book-entry form.

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 these securities.

Effective August 1, 2003, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2003 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 781) enacted LSA-R.S. 33:2955(A)(1)(b) 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 maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

CITY MARSHAL MICHAEL H. CAZES
FORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2004

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

F. Capital Assets

Capital assets are recorded at historical costs at the time purchased or constructed. All capital assets are depreciated using the straight-line method over the following estimated lives:

Furniture and Fixtures	5 - 10
Vehicles	5 - 15
Equipment	5 - 20

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 obligations.

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 are no long-term obligations as of June 30, 2004.

I. Fund Equity

There are no reserved or designated amounts in fund equity.

J. Budget Practices

The City Marshal is required by law to adopt annual budgets for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles in the United States of America.

CITY MARSHAL MICHAEL B. CAZES
FORT ALLEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2004

NOTE #3: CHANGES IN CAPITAL ASSETS

Balance at January 1, 2004	\$ 53,641
Additions	None
Deductions	<u>None</u>
Balance at June 30, 2004	\$ 53,641

NOTE #3: LITIGATION AND CLAIMS

There is no litigation pending against City Marshal Michael B. Cazes, Fort Allen, Louisiana, at June 30, 2004.

NOTE #4: RECEIVABLES

The receivables represent court fines and off-duty reimbursements due from the city as of June 30, 2004. The total amount of these fines are considered collectible; therefore, no provisions have been made for bad debt.

NOTE #5: RELATED PARTY TRANSACTIONS

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council \$7,500 for the clerical salary and related benefit expenses during the six months ended June 30, 2004. The City Marshal's salary is paid by the City of Port Allen. In addition to salary, the Marshal received \$2,700 for auto allowance during the year which is paid from the City Marshal's budget. The City of Port Allen provides office facilities for the City Marshal.

NOTE #6: 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 #7: 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY MARSHAL MICHAEL B. CAZES
PORT ALLEN, LOUISIANA
BUDGET COMPARISON SCHEDULE - GENERAL FUND
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
City Court fines and off-duty reimbursement	\$ 75,000	\$ 53,062	\$ (21,938)
Interest income	258	341	83
Total Revenues	75,258	53,403	(21,855)
EXPENDITURES			
General governmental:			
Deputy Marshal fees paid	40,000	27,120	12,880
Other salaries	7,500	7,250	250
Auto expense	3,000	2,780	220
Drug awareness programs	250	0	250
Repairs and maintenance	4,500	3,429	(1,071)
Seminars and conferences	5,000	5,280	(280)
Payroll taxes	600	600	0
Office expense and supplies:			
Office expense	250	111	139
Supplies	2,500	110	2,390
Dues and subscriptions	250	215	35
Legal and accounting	1,500	1,850	(350)
Miscellaneous	1,000	900	100
Capital outlay	5,000	0	5,000
Total Expenditures	71,350	67,465	3,885
EXCESS (DEFICIT) OF REVENUE OVER			
EXPENDITURES	3,908	5,938	(2,030)
NET ASSET BALANCE			
AT BEGINNING OF YEAR	94,202	94,202	0
NET ASSET BALANCE			
AT END OF YEAR	\$ 98,110	\$ 100,140	\$ 2,030

Note: Because only six months of actual revenues and expenses are shown, this budget reflects only fifty percent of the annual budget. The financial statements present only six months of activity.

See accompanying notes and Accountant's audit report.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

JAMES M. CAMPBELL
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
899 Jefferson Hwy, First Floor, Suite 410 C
Baton Rouge, Louisiana 70808

(504)381-8607
(504)381-8608
(504)381-8779 Fax

September 22, 2004

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

City Marshal Michael B. Cazes
City of Port Allen, Louisiana

We have audited the basic financial statements of the City Marshal Michael B. Cazes, a component unit of The City of Port Allen, Louisiana, as of and for the six month period ended June 30, 2004, and have issued our report thereon dated September 22, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the City Marshal Michael B. Cazes financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.


Internal Control Over Financial Reporting

In planning and performing our audit, we considered City Marshal Michael B. Cazes internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONCLUDED)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of City Marshal Michael B. Coxey, state agencies and the Louisiana State Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, this report is distributed by the Louisiana Legislative Auditor as a public document.

 James M. Campbell, CPA, CFE

**CITY MARSHAL MICHAEL B. CAZES
FORT ALLEN, LOUISIANA**

**Schedule of Findings and Questioned Costs
For the Six Month Period Ended June 30, 2004**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City Marshal Michael B. Cazes.
2. No instances of noncompliance material to the financial statements of the City Marshal Michael B. Cazes were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. Findings - Financial Statements Audit

None