

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

**FINANCIAL REPORT**

**DECEMBER 31, 2021**

**CITY MARSHAL OF PORT ALLEN  
PORT ALLEN, LOUISIANA  
TABLE OF CONTENTS  
December 31, 2021**

|  | <u>PAGE</u> |
|--|-------------|
| <b>Independent Accountant's Review Report</b>  | 1-2         |
| <b>Basic Financial Statements</b>  | 3           |
| <b>Government-Wide Statements</b>  |             |
| Statement of Net Position  | 4           |
| Statement of Activities  | 5           |
| <b>Governmental Fund Statements</b>  |             |
| Balance Sheet  | 6           |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balance  | 7           |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds<br>to the Statement of Activities | 8           |
| <b>Notes to the Financial Statements</b>   | 9-25        |
| <b>Required Supplementary Information</b>  | 26          |
| Budgetary Comparison Schedule - General Fund   | 27          |
| <b>Other Supplementary Information</b>   | 28          |
| Schedule of Compensation, Benefits, and Other Payments to<br>Agency Head or Chief Executive Officer  | 29          |
| Justice System Funding Schedule - Receiving Entity   | 30          |
| <b>Other Reports</b>   | 31          |
| Independent Accountant's Report on Applying Agreed-Upon Procedures   | 32-35       |
| Schedule of Findings and Responses   | 36          |
| Schedule of Prior Year Findings  | 37          |
| Louisiana Attestation Questionnaire  | 38-40       |

# **BAXLEY AND ASSOCIATES, LLC**

P. O. Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA

-----  
Staci H. Joffrion, CPA/CGMA  
Stephanie F. Morales, CPA

-----  
Hugh F. Baxley, CPA/CGMA – Retired

To the City Marshal of Port Allen  
Port Allen, Louisiana

## **INDEPENDENT ACCOUNTANT’S REVIEW REPORT**

We have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Port Allen, a component unit of the City of Port Allen, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City Marshal of Port Allen’s basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant’s Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the City Marshal of Port Allen and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Basis for Qualified Conclusion**

As explained in Note M to the financial statements, the City Marshal of Port Allen did not adopt the provisions of GASB 68 as amended by GASB 71, "*Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB 68.*" These statements require that the Marshal recognize, within the governmental activities financial statements, net pension liability, deferred inflows of resources, and deferred outflows of resources related to its participation in the Municipal Employees Retirement System of Louisiana, a cost-sharing, multiple employer, defined benefit plan. Management believes that the amount by which this departure would affect deferred outflows, deferred inflows, net position, and expense of the governmental activities is not reasonably determinable.

**Qualified Conclusion**

Based on our review, except for the issue noted in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the Management's Discussion and Analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements are not affected by this missing information. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

***Supplementary Information***

The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule – Receiving Entity on pages 29 through 30 are not a required part of the basic financial statements but are supplementary information required by the *Louisiana Governmental Audit Guide*. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on it.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated June 17, 2022 on the results of agreed upon procedures.

***Baxley & Associates, LLC***

Plaquemine, Louisiana  
June 17, 2022

**BASIC FINANCIAL STATEMENTS**

**CITY MARSHAL OF PORT ALLEN**  
**(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| Cash and cash equivalents                       | \$ 910,569                         |
| Receivables                                     | 20,249                             |
| Prepaid insurance                               | 10,942                             |
| Investments                                     | 297,953                            |
| Capital assets, net of accumulated depreciation | <u>39,559</u>                      |
| Total Assets                                    | <u>1,279,272</u>                   |
| <br>  |                                    |
| <b>LIABILITIES</b>                              |                                    |
| Accounts payable                                | <u>2,469</u>                       |
| Total Liabilities                               | <u>2,469</u>                       |
| <br>  |                                    |
| <b>NET POSITION</b>                             |                                    |
| Net investment in capital assets                | 39,559                             |
| Unrestricted                                    | <u>1,237,244</u>                   |
| Total Net Position                              | <u>\$ 1,276,803</u>                |

See accompanying notes and independent accountant's review report.

CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

|                                       |            | Program Revenues        |  | Net (Expenses)<br>Revenue and<br>Change in Net<br>Position of Gov.<br>Activities |
|---------------------------------------|------------|-------------------------|--|--|
|                                       | Expenses   | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Activities   |
| Governmental Activities:              |            |                         |  |  |
| Public safety                         | \$ 314,778 | \$ 293,005              | \$ 22,468                                | \$ 695   |
| Total Governmental Activities         | \$ 314,778 | \$ 293,005              | \$ 22,468                                | \$ 695   |
| General Revenues:                     |            |                         |  |  |
| Witness fees                          |            |                         |  | 15,355   |
| Investment income                     |            |                         |  | 316  |
| Total General Revenues                |            |                         |  | 15,671   |
| Change in Net Position                |            |                         |  | 16,366   |
| Net Position at the Beginning of Year |            |                         |  | 1,260,437  |
| Net Position at End of Year           |            |                         |  | \$ 1,276,803   |

See accompanying notes and independent accountant's review report.

CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
DECEMBER 31, 2021

|   | <b>General<br/>Fund</b> |
|---|-------------------------|
| <b>ASSETS</b>   |                         |
| Cash and cash equivalents   | \$ 910,569              |
| Receivables   | 20,249                  |
| Prepaid insurance   | 10,942                  |
| Investments   | 297,953                 |
| <b>Total Assets</b>   | <b>\$ 1,239,713</b>     |
| <br><b>LIABILITIES AND FUND BALANCES</b>  |                         |
| <b>Liabilities:</b>   |                         |
| Accounts payable  | \$ 2,469                |
| <b>Total Liabilities</b>  | <b>2,469</b>            |
| <br><b>Fund Balance:</b>  |                         |
| Nonspendable - prepaids   | 10,942                  |
| Unassigned  | 1,226,302               |
| <b>Total Fund Balances - Governmental Fund</b>  | <b>1,237,244</b>        |
| <br><b>Reconciliation of fund balance to net position:</b>  |                         |
| Amounts reported for governmental activities in the statement of net position are different because:                      |                         |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. |                         |
| Governmental capital assets   | 311,630                 |
| Less: accumulated depreciation  | (272,071)               |
|   | <b>39,559</b>           |
| <br><b>Net position of governmental activities</b>  | <br><b>\$ 1,276,803</b> |

See accompanying notes and independent accountant's review report.



**CITY MARSHAL OF PORT ALLEN**  
**(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|  |           |                  |
|--|-----------|------------------|
| <b>REVENUES</b>  |           |                  |
| Intergovernmental  | \$        | 293,006          |
| Witness fees   |           | 15,355           |
| On behalf payments   |           | 22,468           |
| Interest income  |           | 316              |
| <b>TOTAL REVENUES</b>  |           | <b>331,145</b>   |
| <br><b>EXPENDITURES</b>                                      |           |                  |
| Current:   |           |                  |
| Public safety  |           | 340,175          |
| <b>TOTAL EXPENDITURES</b>                                    |           | <b>340,175</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> |           | <b>(9,030)</b>   |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                     |           | <b>1,246,274</b> |
| <b>FUND BALANCE AT END OF YEAR</b>                           | <b>\$</b> | <b>1,237,244</b> |

See accompanying notes and independent accountant's review report.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Net change in fund balances - total governmental funds** **\$ (9,030)**

Amounts reported for governmental activities in Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:

|                                 |                |
|---------------------------------|----------------|
| Expenditures for capital assets | 32,488         |
| Less: Current year depreciation | <u>(7,092)</u> |

**Change in net position of governmental activities** **\$ 16,366**

See accompanying notes and independent accountant's review report.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City Marshal of Port Allen (the City Marshal) was established under the provisions of Louisiana Revised Statutes 13:1879. Each city court shall have a marshal or constable, elected at the congressional election every six years. The Marshal is charged with responsibility of conducting, policing, and security functions for the City Court of Port Allen, Louisiana. Operations of the Marshal's office are funded by court costs charged by the City of Port Allen, Louisiana. The Marshal employs nine full-time and part-time persons.

The accompanying basic financial statements of the City Marshal of Port Allen have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**Reporting Entity**

GASB Statement No. 61, The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the financial statements must present the City Marshal as a component unit of the City of Port Allen, Louisiana because the City of Port Allen provided office space, related utility costs, and the primary funding of salary costs for the Marshal's office.

The accompanying financial statements present information only on the funds maintained by the City Marshal and do not present information on the City of Port Allen or any other governmental units that comprise the City of Port Allen.

**Fund Accounting**

The City Marshal used funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Marshal functions and activities.

The governmental funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring inter-period equity and whether current year revenues were sufficient to pay for the current year services.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Governmental Funds*

Governmental funds account for all or most of the City Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the City Marshal. The following are the City Marshal's governmental funds:

General Fund – The General Fund is the primary operating fund of the City Marshal. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available for any purpose provided as long as it is expended or transferred in accordance with state and federal laws according to the City Marshal policy.

**Measurement Focus, Basis of Accounting**

*Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the City Marshal as a whole. These statements include all the financial activities of the City Marshal.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City Marshal's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues.

The government-wide financial statements reflect the economic resources measurement focus and accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when the cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Fund Financial Statements (FFS)*

The amounts reflected in the General Fund of the Statement of Net Position and Statement of Activities are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e. revenues and other financing sources) and the uses (i.e. expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the City Marshal.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City Marshal considers all revenue as available if they are collected within sixty days after year end. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, which are recognized when due and payable. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Fines, grants, and interest associated with the current fiscal period are all considered susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures – Salaries and capital outlays associated with the current fiscal period are also considered to be susceptible to accrual and so have been recognized as expenditures of the fiscal period.

**Budget**

The City Marshal uses the following budget practices:

- Annually, in the fall of each year, the City Marshal's management submits a proposed operating budget for the general fund prepared on the GAAP basis to the City Marshal.
- After the City Marshal adopts the budget, usually in December, the budget is sent to the City of Port Allen who conducts a public hearing on the budget, which must be adopted by December 15. At year end, public notices offering the public the opportunity to participate in the budget process appear in the December issues of the Westside Journal, the official journal of the Parish.
- Appropriations (unexpended budget balances) lapse at year-end.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- The GAAP basis is used in preparing and reporting the budgets, except for on behalf payments, which represent equal amounts of both revenues and expenditures and are unknown until after year end.
- The Board of Control will meet from time to time to make changes or amendments within the various budget categories.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Assets, Liabilities, and Equity**

**Cash and Cash Equivalents** – Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and City Marshal's investment policy allow the entity to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**Fair Value Measurements** – In accordance with the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Application and Measurement*, all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

The Marshal categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quotes prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

**Investments** – Investments for the City Marshal are reported at fair value. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the City Marshal's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments, however if the original maturities are 90 days or less, they are classified as cash equivalents.

**Receivables** – Receivables consist of all revenues earned at year-end and not yet received.

**Inventories** – All inventories not considered material of the governmental funds are recorded as expenses/expenditures when purchased rather than when consumed.

**Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Capital Assets, Depreciation, and Amortization** – Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Marshal maintains a threshold level of \$500 for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an amount that is not considered material when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land are depreciated using the straight-line method over the following useful lives:

|                                    |            |
|------------------------------------|------------|
| Building and building improvements | 40 years   |
| Furniture and fixtures             | 5-7 years  |
| Vehicles                           | 3 years    |
| Machinery and equipment            | 5-10 years |

**Fund Equity Classifications –**

*Government-wide statements* – Equity is classified as net position and displayed in three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

*Fund financial statements* – Beginning with fiscal year 2011, the City Marshal implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. GASB 54 categories fund balance as either nonspendable or spendable.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The following classifications describe the relative strength of spending constraints placed on the purpose for which resources can be used:

Nonspendable is defined as the portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

Spendable is defined as a hierarchy of fund balance classifications that is available to be spent based on the element to which the City Marshal is bound to observe constraints imposed upon the use of resources:

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources by external parties, such as creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law, through constitutional provisions or enabling legislation. The City Marshal has no restricted resources at year end.
- Committed: This classification includes portions of fund balance that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Marshal. These amounts cannot be used for any other purpose unless the City Marshal removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City Marshal had no committed resources at year end.
- Assigned: This classification includes spendable amounts that are reported in governmental funds other than the General Fund that are neither restricted or committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the City Marshal, who has authority to assign amounts to be used for specific purposes. The City Marshal has no assigned any amounts at year-end.
- Unassigned: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.



**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE B – DEPOSITS AND INVESTMENTS**

**Cash and Cash Equivalents and Investments**

Cash and cash equivalents include bank accounts and short-term investments. See Note A for additional cash disclosure note information.

At December 31, 2021, the City Marshal had the following bank balances and book balances for cash and cash equivalents and investments:

|                                       | <u>Bank<br/>Balances</u> | <u>Book<br/>Balances</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash and cash equivalents             | \$ 930,621               | \$ 910,569               |
| Investments - Certificates of Deposit | 116,130                  | 116,130                  |
| Investments - LAMP                    | <u>181,823</u>           | <u>181,823</u>           |
| Total                                 | <u>\$ 1,228,574</u>      | <u>\$ 1,208,522</u>      |

**Custodial Credit Risk – Deposits and Investments**

Custodial credit risk is the risk that in the event of a bank failure the City Marshal's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured or collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the City Marshal. The City Marshal's cash and investment policy, as well as state law, requires that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The following chart represents bank balances for the City Marshal as of December 31, 2021. Deposits are listed in terms of whether they are exposed to custodial credit risk.

|  | <u>Cash<br/>and Cash<br/>Equivalents</u> | <u>FDIC<br/>Coverage</u> | <u>Total</u>        |
|--|--|--------------------------|---------------------|
| Deposits per Balance Sheet (Reconciled bank balance)   | \$ 1,026,698                             | \$ -                     | \$ 1,026,698        |
| Deposits in bank accounts per bank   | \$ 1,046,751                             | \$ (532,010)             | \$ 514,741          |
| Bank balances exposed to custodial credit risk:  |  |                          | <u>\$ 514,741</u>   |
| 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 entity's name |  |                          | <u>\$ 1,069,278</u> |
| Excess of FDIC insurance and pledged securities over cash and investments at December 31, 2021   |  |                          | <u>\$ (554,537)</u> |

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

Investments of the City Marshal consist of certificates of deposit and Louisiana Asset Management Pool investments. These securities are stated at their fair value as required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The City Marshal used quoted market prices to determine fair value of the investments.

*Interest rate risk* - The City Marshal has no formal investment policy but has adopted the state investment policy at LA RS 49:327. The City Marshal invests in investments with maturities limited to five-year as means of managing its exposure to fair value losses arising from increasing interest rates.

*Custodial credit risk – Deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the City Marshal's deposits may not be returned to it. The City Marshal invests in certificates of deposits that are backed by FDIC and pledged securities and LAMP investments.

*Concentration of credit risk* – The City Marshal places no limits on the amount they may invest in any one issuer.

The City Marshal's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City Marshal or its agent in the City Marshal's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City Marshal's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City Marshal's name. At December 31, 2021, the City Marshal's investments are as follows:

| <u>Descriptions</u>                        | <u>Category 1</u> | <u>Fair Value</u> | <u>Cost</u>       |
|--|-------------------|-------------------|-------------------|
| Certificates of Deposit                    | \$ 116,130        | \$ 116,130        | \$ 116,130        |
| Total                                      | <u>\$ 116,130</u> |                   |                   |
| Investments Not Subject to Categorization: |                   |                   |                   |
| LAMP (External Investment Pool)            |                   | 181,823           | 181,823           |
| Total Investments                          |                   | <u>\$ 297,953</u> | <u>\$ 297,953</u> |

**LAMP**

In accordance with GASB Codification Section 150.128, the investment in Louisiana Asset Management Pool (LAMP) is not categorized in the three risk categories provided by the GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)**

At December 31, 2021, the City Marshal had an investment of \$181,823 with the Louisiana Asset Management Pool (LAMP). 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 LA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The 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 net asset 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 OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE C – FAIR VALUE MEASUREMENTS**

The following table sets forth by level within fair value hierarchy the City Marshal's assets at estimated fair value as of December 31, 2021.

|                          | Level 1    |
|--------------------------|------------|
| Certificates of deposits | \$ 116,130 |
| LAMP                     | 181,823    |
| Total                    | \$ 297,953 |

The City Marshal did not have Level 2 or Level 3 assets at December 31, 2021.

**NOTE D – RECEIVABLES**

The receivables of \$20,249 at December 31, 2021, are as follows:

| Class of Receivable             | Total     |
|---------------------------------|-----------|
| Intergovernmental:              |           |
| West Baton Rouge Parish Council | \$ 10,555 |
| City Court of Port Allen        | 9,694     |
| Total Receivables               | \$ 20,249 |

**NOTE E – CAPITAL ASSETS**

A summary of changes in fixed assets follows and current depreciation of \$7,092 is reported in Public Safety expense in the Statement of Activities:

|                          | Balance<br>1/1/2021 | Additions | Deletions | Balance<br>12/31/2021 |
|--------------------------|---------------------|-----------|-----------|-----------------------|
| Governmental Activities: |                     |           |           |                       |
| Intangible assets        | \$ 3,840            | \$ -      | \$ -      | \$ 3,840              |
| Vehicles                 | 182,342             | 31,950    | -         | 214,292               |
| Furniture and fixtures   | 10,516              | 539       | -         | 11,055                |
| Improvements             | 12,605              | -         | -         | 12,605                |
| Equipment                | 69,839              | -         | -         | 69,839                |
| Total Capital Assets     | 279,142             | 32,489    | -         | 311,631               |

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE E – CAPITAL ASSETS (CONTINUED)**

|                                    | Balance<br>1/1/2021     | Additions    | Deletions | Balance<br>12/31/2021   |
|------------------------------------|-------------------------|--------------|-----------|-------------------------|
| Less Accumulated Depreciation for: |                         |              |           |                         |
| Intangible assets                  | \$ 3,840                | \$ -         | \$ -      | \$ 3,840                |
| Vehicles                           | 177,692                 | 6,524        | -         | 184,216                 |
| Furniture and fixtures             | 10,517                  | 33           | -         | 10,550                  |
| Improvements                       | 3,532                   | 315          | -         | 3,847                   |
| Equipment                          | 69,398                  | 220          | -         | 69,618                  |
| Total Accumulated Depreciation     | <u>264,979</u>          | <u>7,092</u> | <u>-</u>  | <u>272,071</u>          |
| <b>Net Capital Assets</b>          | <u><u>\$ 14,163</u></u> |              |           | <u><u>\$ 39,560</u></u> |

Depreciation expense is charged to functions of the primary government as follows:

|               |         |
|---------------|---------|
| Public safety | \$7,092 |
|---------------|---------|

**NOTE F – RISK MANAGEMENT**

The Marshal is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters.

The Marshal insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceed insurance coverage in any of the past three years.

**NOTE G – PENSION PLAN**

The City Marshal of Port Allen is a member of the Municipal Employees Retirement System of Louisiana (the "System"), a multiple-employer, cost-sharing pension plan administered by a separate board of trustees. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provided retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. MERS has issued a stand-alone audit report on their financial statements for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.llla.la.gov](http://www.llla.la.gov), or by contacting the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Marshal are members of Plan A.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE G – PENSION PLAN (CONTINUED)**

**Retirement Benefits:**

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria: (1) any age with twenty-five (25) or more years of creditable service, (2) age 60 with a minimum of ten (10) years of creditable service, (3) any age with five (5) years of creditable service eligible for disability benefits, (4) survivor's benefits require five (5) or more years creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated) or (5) any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Any member of Plan A Tier 2 can retire providing he or she meets one of the following requirements: (1) age 67 with seven years of creditable service; (2) age 62 with ten years of creditable service; (3) age 55 with thirty years of creditable service; (4) any age with twenty-five years of creditable service with an actuarially reduced early benefit; (5) survivor's benefits require five or more years of creditable service with legal spouse at least 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outline in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings. See Plan booklet for further details.

**Survivor Benefits:**

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE G – PENSION PLAN (CONTINUED)**

and are paid in lieu of any other survivor benefits. Any member of Plan A who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

**DROP Benefits:**

In lieu of terminating employment and accepting a service retirement allowance any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits would be payable, had the person elected to cease employment and received a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if non, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

**Disability Benefits:**

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

**Cost of Living Increases:**

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE G – PENSION PLAN (CONTINUED)**

the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

**Deferred Benefits:**

Plan A provides for deferred benefits for members who terminate before becoming eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

**Employer Contributions:**

Contributions for all plan members are established by statute. Member contributions are at 10.00% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating municipality. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 29.50% for Plan A.

According to state statute, the System also received one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes, except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the Municipal Employee's Retirement System and the Employee's Retirement System of the City of Port Allen. The System also received revenue sharing funds each year as apportioned by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Administrative costs of the System are financed through employer contributions.

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Marshal's contributions to MERS for the years ended December 31, 2021, 2020, and 2019, were \$2,616, \$3,193, and \$5,422, respectively.

The Marshal's share of the costs of this plan is included in City of Port Allen, Louisiana's pension liability, deferred outflows of resources, and deferred inflows of resources on their financial statements.



**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE H – ON-BEHALF PAYMENTS**

GASB Statement No. 24, *Accounting and Financial for Certain Grants and Other Financial Assistance*, requires the City Marshal to report in the financial statements on-behalf payments made by the City of Port Allen to the City Marshal's employees. Salary payments are made by the City directly to the employees. The basis for recognizing the revenue and expenditures payments is the actual contribution made by the City. For 2021, the City paid salaries and benefits for the City Marshal. On-behalf payments recorded as revenues and expenditures in the financial statements for 2021 totaled \$22,468.

**NOTE I – RELATED PARTY TRANSACTIONS**

The West Baton Rouge Council provides accounting and administrative services to the City Marshal. The City Marshal paid the Council \$134,325 for the clerical salary and related benefits during 2021.

The City of Port Allen paid salary and benefits for the City Marshal totaling \$22,468 for 2021. The City of Port Allen also provided office facilities for the City Marshal.

**NOTE J – JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

There was no litigation pending against the City Marshal as of December 31, 2021. City Marshal's management believes that any potential lawsuits would be covered by insurance or resolved without any material impact upon the City Marshal's financial statements. No claims were paid out or litigation costs incurred during the year ended December 31, 2021.

**NOTE K – RISK RETENTION**

The City Marshal is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The City Marshal carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. Historically, the insurance coverage has been sufficient to cover these risks.

**NOTE L – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

GASB Statement 87, *Leases*: This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Marshal will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the Marshal's lease agreements will need to be evaluated to determine the impact of

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE L – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED  
(CONTINUED)**

implementing this standard; however, the effect of this standard or its applicability to the Marshal is unknown at this time.

GASB Statement 96, Subscription-Based Information Technology Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users. This Statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for the IRS Section 457 Deferred Compensation Plans. The requirements of this Statement related to the accounting and financial reporting for IRS Code Section 457 plans are effective for periods beginning after June 15, 2021

GASB Statement 91, Conduit Debt Obligations: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effect for reporting periods beginning with the fiscal year that ends December 31, 2022.

GASB Statement 92, Omnibus 2020: The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issue that have been identified during implementation and application of certain GASB statements. This statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement 93, Replacement of Interbank Offered Rates: The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary object of this statement is to improve financial reporting by addressing issues related to these arrangements. This statement is effective for reporting periods beginning after June 15, 2022.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

**CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE M – NET PENSION LIABILITY**

Generally accepted accounting principles require the Marshal to recognize the difference between the actuarial total pension liability and the fair value of the legally restricted plan asset to its participation in the Municipal Employees Retirement System of Louisiana, a multiple-employer, cost-sharing pension plan, as a net pension liability on the statement of net position. In addition, the Marshal is required to recognize its share of the deferred outflows and deferred inflows associated with its participation in the plan. However, because the Marshal participates under the umbrella of the City of Port Allen (of which they are a component unit), their share of the net pension liability, deferred inflow and outflows are included in the City of Port Allen's financial statements. Information specific to the Marshal needed to implement these accounting changes was not readily available. As such, the City Marshal of Port Allen did not apply the provisions as required by generally accepted accounting principles. Information related to the participation in the retirement plan can be found in the financial statements of the City of Port Allen as of June 30, 2021.

**NOTE N – SUBSEQUENT EVENTS**

The City Marshal of Port Allen has evaluated subsequent events through June 17, 2022, the date which the financial statements were available to be issued and determined that there were no events that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The City Marshal of Port Allen is closely monitoring its financial statements for 2022 impacts.

---

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

|   | Original<br>Budget  | Final<br>Budget     | Actual Amounts<br>GAAP Basis | Variance<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|------------------------------|--|
| <b>REVENUE</b>  |                     |                     |                              |  |
| Intergovernmental   |                     |                     |                              |  |
| City Court fines and off duty reimbursements                | \$ 300,000          | \$ 300,000          | \$ 293,006                   | \$ (6,994)                             |
| Witness fees  | 16,000              | 16,000              | 15,355                       | (645)                                  |
| On-behalf payments  | -                   | -                   | 22,468                       | 22,468                                 |
| Investment income   | 1,500               | 1,500               | 316                          | (1,184)                                |
| <b>TOTAL REVENUES</b>                                       | <u>317,500</u>      | <u>317,500</u>      | <u>331,145</u>               | <u>13,645</u>                          |
| <b>EXPENDITURES</b>   |                     |                     |                              |  |
| Current operations  |                     |                     |                              |  |
| Public Safety:  |                     |                     |                              |  |
| Deputy marshal fees paid                                    | 100,000             | 100,000             | 83,680                       | 16,320                                 |
| Other salaries  | 135,000             | 135,000             | 134,325                      | 675                                    |
| On-behalf payments  | -                   | -                   | 22,468                       | (22,468)                               |
| Municipal employee retirement                               | 5,000               | 5,000               | 2,616                        | 2,384                                  |
| Auto expense  | 30,000              | 30,000              | 26,765                       | 3,235                                  |
| Repairs and maintenance                                     | 500                 | 500                 | 593                          | (93)                                   |
| Uniforms  | 1,500               | 1,500               | 804                          | 696                                    |
| Travel - Seminars & training                                | 8,000               | 8,000               | 6,804                        | 1,196                                  |
| Office expense  | 500                 | 500                 | 394                          | 106                                    |
| Insurance   | 17,000              | 17,000              | 15,347                       | 1,653                                  |
| Supplies  | 1,000               | 1,000               | 573                          | 427                                    |
| Dues and subscriptions                                      | 1,000               | 1,000               | -                            | 1,000                                  |
| Legal & accounting  | 13,000              | 13,000              | 12,150                       | 850                                    |
| Miscellaneous   | 1,000               | 1,000               | 1,165                        | (165)                                  |
| Capital outlay  | 35,000              | 35,000              | 32,489                       | 2,511                                  |
| <b>TOTAL EXPENDITURES</b>                                   | <u>348,500</u>      | <u>348,500</u>      | <u>340,173</u>               | <u>8,327</u>                           |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUE OVER EXPENDITURES</b> | (31,000)            | (31,000)            | (9,028)                      | 21,972                                 |
| <b>FUND BALANCE, BEGINNING OF YEAR</b>                      | <u>1,246,274</u>    | <u>1,246,274</u>    | <u>1,246,274</u>             | <u>-</u>                               |
| <b>FUND BALANCE, END OF YEAR</b>                            | <u>\$ 1,215,274</u> | <u>\$ 1,215,274</u> | <u>\$ 1,237,246</u>          | <u>\$ 21,972</u>                       |

**Notes to Budgetary Comparison Schedule:**

- 1.) The Budget was prepared using the Modified Accrual Basis of Accounting (GAAP)
- 2.) There were no amendments to the 2021 Budget.

See independent accountant's review report.

**OTHER SUPPLEMENTARY INFORMATION**

CITY MARSHAL OF PORT ALLEN  
(A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2021

Agency Head Name: Michael A. Zito, City Marshal

| <u>PURPOSE</u>                         | <u>AMOUNT</u>    |
|--|------------------|
| Salary (On-behalf payments)            | \$ 22,468        |
| Benefits - insurance                   | 6,430            |
| Benefits - retirement                  | 3,480            |
| Benefits - other                       | 178              |
| Per diem                               | 3,950            |
| Reimbursements                         | -                |
| Continuing professional education fees | 780              |
| Meals                                  | 311              |
| <b>TOTAL</b>                           | <b>\$ 37,597</b> |

See independent accountant's review report.

CITY MARSHAL OF PORT ALLEN  
 (A COMPONENT UNIT OF THE CITY OF PORT ALLEN)  
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY  
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Entity Name: City Marshal of Port Allen  
 LLA Entity ID#: 5665  
 Date That Reporting Period Ended: 12/31/2021

| Cash Basis Presentation                                | First Six Month Period<br>Ended 6/30/2021 | Second Six Month Period<br>Ended 12/31/2021 |
|--|---|---|
| <b>Receipts From:</b>                                  |   |   |
| City Court of Port Allen - Civil Fees                  | \$ 81,639                                 | \$ 65,620                                   |
| Total Receipts   | 81,639                                    | 65,620                                      |
| Ending balance of amounts assessed<br>but not received | \$ -                                      | \$ 9,695                                    |

See independent accountant's review report.



---

**OTHER REPORTS**

# BAXLEY AND ASSOCIATES, LLC

P. O. Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Margaret A. Pritchard, CPA/CGMA

-----  
Staci H. Joffrion, CPA/CGMA  
Stephanie F. Morales, CPA

-----  
Hugh F. Baxley, CPA/CGMA – Retired

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

To Michael Zito  
City Marshal of Port Allen  
Port Allen, Louisiana  
And the Louisiana Legislative Auditor's Office

We have performed the procedures enumerated below on the City Marshal of Port Allen's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Marshal's management is responsible for its financial records and compliance with applicable laws and regulations.

The Marshal has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Marshal's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Public Bid Law***

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

**No expenditures were made during the year for materials and supplies exceeding \$30,000, and none were made for public works exceeding \$250,000.**

### ***Code of Ethics for Public Officials and Public Employees***

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

**The City Marshal does not have a board but management provided us with the required list of immediate family members.**

3. Obtain a list of all employees paid during the fiscal year.

**Management provided us with the required list including the noted information.**

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

**No immediate family members appeared on the list of the City Marshal's employees.**

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

**Management provided us with a list of all disbursements made during the year and a list of outside business interests. Per management, there were no outside business interests noted for employees and employees' immediate families.**

### ***Budgeting***

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

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

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

**The City Marshal is an independently elected official, therefore there is no minute book.**

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

**We compared the revenues and expenditures of the final budget to the actual revenues and expenditures. Actual revenues exceeded the budgeted amounts. Actual expenditures were less than the budgeted amounts.**

### ***Accounting and Reporting***

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

**We examined supporting documentation for each of the six randomly selected disbursements and found all disbursements agreed to the amount and payee in the supporting documentation, were coded to the correct fund and general ledger account, and were approved by management in accordance with the policies and procedures.**

### ***Meetings***

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

**The City Marshal is an independently elected official that is responsible for oversight of the entity. Therefore, there are no minutes to examine.**

### ***Debt***

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

**We inspected copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.**

### ***Advances and Bonuses***

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

**We examined payroll records for the year and noted no instances which would constitute bonuses, advances, or gifts to employees.**

**State Audit Law**

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

**The City Marshal provided for a timely report in accordance with R.S. 24:513.**

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 37:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (audit law).

**The City Marshal did not enter into any contracts that utilized state funds.**

**Prior Year Comments**

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

**The prior year report dated June 24, 2021 did not include any prior-year suggestions, recommendations, and/or comments that needed to be resolved.**

We were engaged by the Marshal to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Marshal's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Marshal and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the Marshal's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Baxley & Associates, LLC***

Plaquemine, Louisiana  
June 17, 2022

CITY MARSHAL OF PORT ALLEN  
A COMPONENT UNIT OF THE CITY OF PORT ALLEN  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no findings noted in the current year.

**CITY MARSHAL OF PORT ALLEN  
A COMPONENT UNIT OF THE CITY OF PORT ALLEN  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

There were no findings in the prior year.

**LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Governmental Agencies)**

\_\_\_\_\_ (Date Transmitted)

Baxley & Associates, LLC

P. O. Box 482

Plaquemine, LA 70765-0482

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2021 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No [ ] N/A [ ]

**Code of Ethics for Public Officials and Public Employees**

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No [ ] N/A [ ]

**Accounting and Reporting**

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No [ ] N/A [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No [ ] N/A [ ]



We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes  No [ ] N/A [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No [ ] N/A [ ]

**Debt**

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

Yes  No [ ] N/A [ ]

**Advances and Bonuses**

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

Yes  No [ ] N/A [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No [ ] N/A [ ]

**General**

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No [ ] N/A [ ]

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes  No [ ] N/A [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No [ ] N/A [ ]

We have provided you with all relevant information and access under the terms of our agreement.

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

We are not aware of any material misstatements in the information we have provided to you.

Yes  No [ ] N/A [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will

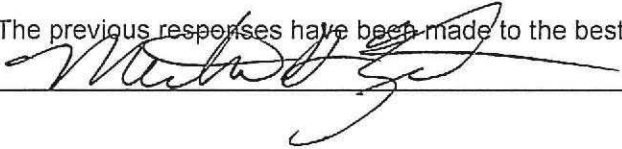
disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes  No [ ] N/A [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes  No [ ] N/A [ ]

The previous responses have been made to the best of our belief and knowledge.

 Marshal 6-13-2022 Date