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BOSSIER CITY MARSHAL,
a component unit of the City of Bossier City, Louisiana

Financial Statements

December 31, 2000

(With Independent Auditors' Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 06/20/01



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

Independent Auditors' Report

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the accompanying financial statements of the Bossier City Marshal, a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 2000. These financial statements are the responsibility of the Bossier City Marshal's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bossier City Marshal as of December 31, 2000, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2001, on our consideration of the Bossier City Marshal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

KPMG LLP

March 2, 2001



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**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Combined Balance Sheet
All Fund Types and Account Groups

December 31, 2000
(with comparative totals at December 31, 1999)

	Governmental Fund Types - Special Revenue				Agency Fund Traffic Fund	General Fixed Asset Account Group	Totals (Memorandum Only) 2000	Totals (Memorandum Only) 1999
	Contingency Fund	Garnishment Fund	General Fund	Probation Fund				
Assets								
Cash	\$ 192,797	35,503	4,930	32,641	-	-	265,871	133,308
Property and equipment	-	-	-	-	-	200,116	200,116	162,150
Other receivable	-	-	-	-	-	-	-	73,456
Due from City Court	5,280	-	-	-	-	-	5,280	4,460
Total assets	\$ 198,077	35,503	4,930	32,641	-	200,116	471,267	373,374
Liabilities, Fund Balances, and Other Credits								
Liabilities:								
Accounts payable	\$ -	35,503	-	-	-	-	35,503	46,500
Due to Marshal	-	-	2,623	-	-	-	2,623	-
Deferred revenue	-	-	-	-	-	-	-	315
Total liabilities	-	35,503	2,623	-	-	-	38,126	46,815
Fund balances and other credits:								
Investment in general fixed assets	-	-	-	-	-	200,116	200,116	162,150
Fund balances - unreserved - undesignated	198,077	-	2,307	32,641	-	-	233,025	164,409
Total fund balances and other credits	198,077	-	2,307	32,641	-	200,116	433,141	326,559
Total liabilities, fund balances and other credits	\$ 198,077	35,503	4,930	32,641	-	200,116	471,267	373,374

See accompanying notes to financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

**Combined Statement of Revenues, Expenditures, and Changes in
Fund Balance - Governmental Fund Types - Special Revenue**

Year ended December 31, 2000
(with comparative totals for the year ended December 31, 1999)

	<u>Contingency Fund</u>	<u>Garnishment Fund</u>	<u>General Fund</u>	<u>Probation Fund</u>	<u>Totals (Memorandum Only)</u>	
					2000	1999
Revenues:						
City Court	\$ 108,305	-	-	-	108,305	76,904
Contributions	10,000	-	-	-	10,000	10,000
Garnishments	-	431,831	-	-	431,831	486,409
Sales and seizures	-	-	12,057	-	12,057	18,966
Interest	3,916	-	99	-	4,015	2,015
Miscellaneous	-	-	3,300	-	3,300	-
Commissions and fees	-	-	11,803	43,309	55,112	37,204
Total revenues	<u>122,221</u>	<u>431,831</u>	<u>27,259</u>	<u>43,309</u>	<u>624,620</u>	<u>631,498</u>
Expenditures:						
Public safety:						
Car allowance	7,677	-	-	-	7,677	8,322
Training	9,533	-	-	-	9,533	15,273
Travel, lodging, and meals	11,338	-	-	-	11,338	3,698
Other operating	28,755	-	7,552	702	37,009	26,253
Payments to the Marshal	-	22,680	20,420	230	43,330	40,549
Garnishments	-	409,151	-	-	409,151	461,482
	<u>57,303</u>	<u>431,831</u>	<u>27,972</u>	<u>932</u>	<u>518,038</u>	<u>555,577</u>
Capital outlay	11,524	-	-	26,442	37,966	29,049
Total expenditures	<u>68,827</u>	<u>431,831</u>	<u>27,972</u>	<u>27,374</u>	<u>556,004</u>	<u>584,626</u>
Excess (deficiency) of revenues over expenditures	53,394	-	(713)	15,935	68,616	46,872
Other financing sources (uses):						
Operating transfers in	29,873	-	-	-	29,873	-
Operating transfers out	-	-	(4,477)	(25,396)	(29,873)	-
Total other financing sources (uses)	<u>29,873</u>	<u>-</u>	<u>(4,477)</u>	<u>(25,396)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	83,267	-	(5,190)	(9,461)	68,616	46,872
Fund balances, beginning of year	114,810	-	7,497	42,102	164,409	117,537
Fund balances, end of year	\$ <u>198,077</u>	<u>-</u>	<u>2,307</u>	<u>32,641</u>	<u>233,025</u>	<u>164,409</u>

See accompanying notes to financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

**Statement of Changes in Asset
and Liability - Agency Fund
Traffic Fund**

For the year ended December 31, 2000

	<u>Balance January 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2000</u>
Asset - cash	\$ <u>-</u>	<u>634,494</u>	<u>634,494</u>	<u>-</u>
Liability - due to City Court	\$ <u>-</u>	<u>634,494</u>	<u>634,494</u>	<u>-</u>

See accompanying notes to financial statements.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 2000

(1) Summary of Significant Accounting Policies

The Bossier City Marshal (the "Marshal") is a separate department within the City of Bossier City's (the "City") organizational structure. The Marshal's office is funded by the City. Property and equipment purchased by the City are recorded in the City's general fixed asset account group. The Marshal's departmental expenses such as payroll and related costs, maintenance, utilities, etc., are paid for by the City. These financial statements account for all activities of the Marshal's office not funded by the City.

The Marshal is the executor of the City Court and, therefore, is responsible for executing the orders and mandates of the City Court.

(A) Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The Marshal's financial statements are included in the City's reporting entity as a discretely presented component unit because of the significance of their financial relationship with the City.

The Marshal is an elected official who is fiscally dependent on the City. The City has the ability to modify or approve the budget which is funded by the City's General Fund except for certain funds collected as court costs, pursuant to state statute, which are under the control of the Marshal. The Marshal serves the citizenry of the City.

(B) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenues are primarily recorded when received in cash because they are generally not measurable until actually received. Expenditures are recognized when the related fund liability is incurred. The accompanying financial statements have been prepared on the modified accrual basis of accounting.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 2000

(C) Basis of Presentation - Fund Accounting

The accounts of the Marshal are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The following funds are used by the Marshal:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. All governmental funds are accounted for on a spending measurement focus where the focus is upon determination of changes in financial position rather than upon net income determination. Each of the following funds are considered special revenue funds for financial reporting purposes given that specific revenue sources of each are restricted to use for a specified purpose. The fund captioned General Fund is not a general fund as defined for governmental financial reporting purposes.

Contingency Fund

The Contingency Fund is used to account for monthly receipts from the City Court for the Marshal's share of additional court costs assessed by the court. Both the Marshal and City Court receive fifteen dollars per criminal case as authorized by Louisiana State Statute R.S. 13:1899C. The Marshal uses this fund to pay for the operational expenses of the office. This fund also accounts for the collections of traffic and court imposed fines which are remitted to the City Court and from which the Marshal receives a commission.

Garnishment Fund

The Garnishment Fund is used to account for the collection and disbursement of garnishments of wages in accordance with the orders and writs of the City Court. The Marshal receives a commission of six percent for the execution of orders and writs of the City Court as authorized by Louisiana State Statute R.S. 33:1704.

General Fund

The General Fund is used to account for the collection and disbursement of the sale and seizure of property in accordance with the orders and writs of the City Court. The Marshal receives a commission of six percent for the execution of the seizure and sale and fees for related services as established by Louisiana State Statute R.S. 33:1704.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 2000

Probation Fund

The Probation Fund is used to account for the collection of probation fees as ordered by the Court. The funds are used for purchases of equipment and payment of other operational expenses of the Marshal's office.

AGENCY FUNDS

The Agency Fund is used to account for assets held by the Marshal's office as an agent for others. Agency funds are custodial in nature and do not present results of operations or have a measurement focus.

Traffic Fund

The Traffic Fund is an agency fund that is used to account for the collection and disbursement of traffic fines collected for the Court.

ACCOUNT GROUP

An account group is used to establish accounting control and accountability for the Marshal's general fixed assets.

General Fixed Assets Account Group

This account group was established to account for all fixed assets purchased with monies from the Marshal's funds as described above.

(D) Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. This reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 2000

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

(E) *Income Taxes*

As part of a governmental unit, the funds of the Marshal are not subject to federal or state income taxes.

(F) *Budgets*

The Marshal does not formally adopt budgets for the Contingency, Garnishment, General, Probation and Traffic Funds and, therefore, budget to actual comparisons have not been presented with these financial statements.

(G) *Total Columns on Combined Financial Statements*

Total columns on the combined financial statements are captioned "Totals-Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

(H) *Comparative Total Data*

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Marshal's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1999 have been reclassified in the accompanying financial statements in order to conform with the 2000 presentation.

(I) *Interfund Transactions*

Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or reductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations.

(J) *Cash Equivalents*

The Marshal's office considers all certificates of deposit with an original maturity of three months or less when purchased to be cash equivalents.

**BOSSIER CITY MARSHAL, A COMPONENT UNIT
OF THE CITY OF BOSSIER CITY, LOUISIANA**

Notes to Financial Statements

December 31, 2000

(2) Cash

All deposits of the Marshal's office are held by area financial institutions. At December 31, 2000, the carrying amount of the Marshal's deposits was \$251,644 and the bank balance was \$265,871. All deposits are insured by the Federal Deposit Insurance Corporation. During 2000, the Marshal purchased two certificates of deposit with cash from the Contingency Fund. These certificates of deposit comprise \$159,391 of cash deposits at December 31, 2000.

(3) Fixed Assets

The changes in general fixed assets for the year ended December 31, 2000 consist exclusively of additions of furniture, equipment and vehicles in the amount of \$37,966.



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the financial statements of the Bossier City Marshal (the "Marshal"), as of and for the year ended December 31, 2000, and have issued our report thereon dated March 2, 2001. 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 Marshal's financial statements are free of material misstatement, 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 those 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 the Marshal's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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. 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 general purpose 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to the Marshal in a separate letter dated March 2, 2001.

This report is intended solely for the information and use of the Marshal, management, and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 2, 2001



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

March 2, 2001

CONFIDENTIAL

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana

We have audited the financial statements of the Bossier City Marshal (the "Marshal") as of and for the fiscal year ended December 31, 2000 and have issued our report thereon dated March 2, 2001. In planning and performing our audit of the financial statements of the Marshal, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

CASH DEPOSITS

The Marshal's office only makes cash deposits a few times a week for the Probation Fund. The Louisiana statutes state that cash deposits must be made daily. KPMG recommends that the Marshal's office implement the practice of making daily deposits of cash collected.

Management's response – Daily deposits will be made of all funds collected in any form.

RECONCILIATION TO PROBATION LOG

The Marshal's office keeps a log of all cash receipts collected at the window each day for probation fees. We also noted that the probation officer keeps a record of all of the probationers seen each day and how much each owes in probation fees. KPMG recommends that the Marshal's office and the probation officer reconcile the probation records monthly to ensure that the amount owed was collected and that any discrepancies are investigated.

Management's response – Both the Marshal's office and probation department will balance together with computer back up to verify all receipts of funds.



Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
March 2, 2001
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DISBURSEMENTS

During 2000, reimbursements of expenses were paid based on receipts and statements. In order to reduce the likelihood of duplicate payments, we recommend the Marshal establish a policy to only make reimbursements based on actual receipts.

We selected a sample of twenty-seven disbursements to test that the Marshal's files contained supporting documentation for each item. Of the twenty-seven disbursements selected we noted one item for which the Marshal provided a duplicate invoice as support. We recommend the Marshal establish a policy to require that all original supporting documentation for disbursements be maintained in the Marshal's files.

Management's response – All disbursements will be accompanied by a receipt.

GARNISHMENTS

There are several garnishment checks that were paid to a defendant several years ago that have never been cashed. According to state law, the Marshal should escheat the funds to the State after the appropriate period has elapsed. In the current year, the old garnishment account was closed and the checks that had been outstanding for several years were deposited into the new garnishment account.

We recommend the Marshal establish a payable for the amount that eventually will be escheated if not claimed.

Management's response – The funds that are kept separate will be held the proper length of time and then released to the State of Louisiana, Department of Revenue and Taxation.

TRAFFIC RECEIPTS

There is currently not a proper segregation of duties in the traffic receipts process. The same person that receives the money for fines also records and reconciles the cash drawer balance. The duties of recording transactions and reconciling cash should be segregated.

Management's response – These funds are now verified by the City Court and a second officer in the Marshal's office.

* * * * *

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the Marshal's organization gained during our work to make comments and suggestions that we hope will be useful to you.

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
March 2, 2001
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This report is intended solely for the use of the Bossier City Marshal and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

We appreciate the assistance and cooperation of all of the personnel of the Marshal. We will be pleased to discuss these comments and recommendations with you at any time.

Very truly yours,

KPMG LLP



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

March 2, 2001

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana:

We have audited the financial statements of the Bossier City Marshal (the "Marshal"), a component unit of the City of Bossier City, Louisiana, for the year ended December 31, 2000, and have issued our report thereon dated March 2, 2001. Under auditing standards generally accepted in the United States of America, we are providing you with the following information related to the conduct of our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

We have a responsibility to conduct our audit in accordance with auditing standards generally accepted in the United States of America. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Significant Accounting Policies

The significant accounting policies used by the Marshal are described in Note 1 to the financial statements.

No new accounting standards or new accounting policies were adopted and the application of existing policies was not changed during 2000.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Significant Audit Adjustments

In connection with our audit of your financial statements, we have not discovered or discussed with management any significant financial statement misstatements that have not been corrected for in your books and records as of and for the year ended December 31, 2000.



Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana
March 2, 2001
Page 2

Disagreements with Management

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Marshal's financial statements.

Consultation with Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year that were subject to the requirements of AU 625, *Reports on the Application of Accounting Principles*.

Major Issues Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Marshal's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no serious difficulties in dealing with management in performing our audit.

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This information is intended solely for the information and use of the Marshal, management and the State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP