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**Bossier City Marshal
Bossier City, Louisiana
A Component Unit of the City of Bossier City, Louisiana
Annual Financial Statements
As of and For the Year Ended December 31, 2009**

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 7/14/10

Bossier City Marshal
Bossier City, Louisiana

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Bossier City Marshal
Bossier City, Louisiana

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier City Marshal, a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the Bossier City Marshal's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Bossier City Marshal's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier City Marshal, as of December 31, 2009, and the respective changes in financial position thereof 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 a report dated April 13, 2010, on our consideration of the Bossier City Marshal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 24 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Cook & Morehart
Certified Public Accountants
April 13, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Bossier City Marshal, (hereafter referred to as the "Marshal") we offer the readers of the Marshal's financial statements this narrative overview and analysis of the financial activities of the Marshal as of and for the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the Marshal's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Marshal experienced a decrease in net assets of .45% (\$3,299) during the fiscal year ended December 31, 2009 compared to an increase of 26.89% (\$154,289) during the prior year. As of December 31, 2009 the assets of the Marshal exceed its liabilities by \$724,788. Of this amount \$337,628 (46.58%) is reported as "unrestricted net assets" and represents the amount available to be used to meet the Marshal's ongoing obligations to the citizens of Bossier City, Louisiana.

During the year ended December 31, 2009, the Marshall received grants totaling \$21,188.

Traffic fines revenue decreased \$47,528 and commission and fees revenue decreased \$27,569 during the year ended December 31, 2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Marshal's basic financial statements. The Marshal's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Bossier City Marshal - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Marshal's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Marshal's financial position, which assists users in assessing the Marshal's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets and liabilities of the Marshal. The Marshal's financial statements contain only governmental activities. The government-wide financial statements include two statements:

- The *statement of net assets* presents all of the Marshal's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Marshal's net assets may serve as a useful indicator of whether the financial position of the Marshal is improving or deteriorating.
- The *statement of activities* presents information showing how the Marshal's net assets changed during the most recent year using the full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between the direct expenses and program revenues of the Marshal.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Marshal, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the Marshal's office, reporting the Marshal's operations in more detail than the government-wide statements. The funds of the Marshal are divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds*. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements

focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Marshal's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Marshal's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Marshal.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Marshal's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Marshal has three governmental funds: the Contingency Fund, the Probation Fund and the General Fund, each of which is considered a major fund for presentation purposes. That is, each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside of the Marshal. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Marshal's own programs. The accrual basis of accounting is used for fiduciary funds.

The Marshal has two fiduciary funds: the Sales and Seizures Fund and Garnishment Fund.

The funds financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the funds financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the Contingency Fund, the Probation fund and the General Fund as presented in the governmental fund financial statements. The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting policies (GAAP). Annual budgets are prepared on the cash basis of accounting.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the Marshal's financial position. The Marshal's assets exceeded liabilities by \$724,788 as of December 31, 2009, compared to \$728,087 at the end of the previous year. The Marshal continues to maintain a high level of liquidity with \$172,709 (51.15% of unrestricted net assets) held in cash and cash equivalents and \$101,546 (30.08% of unrestricted net assets) invested in short-term time deposits with local financial institutions.

At December 31, 2009, \$387,160 (53.42%) of the Marshal's net assets reflects investment in capital assets compared to \$299,718 (41.17%) for the prior year. The Marshal uses these capital assets to provide services to the citizens of Bossier City, Louisiana; consequently, these assets are not available for future spending.

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Current assets	\$ 412,171	\$ 448,653
Capital assets, net of accumulated depreciation	<u>387,160</u>	<u>299,718</u>
Total assets	<u>799,331</u>	<u>748,371</u>
Current liabilities	<u>74,543</u>	<u>20,284</u>
Invested in capital assets	387,160	299,718
Unrestricted	<u>337,628</u>	<u>428,369</u>
Total net assets	<u>\$ 724,788</u>	<u>\$ 728,087</u>

Changes in Net Assets

The Marshal's net assets decreased by \$3,299 (.45%) during the year ended December 31, 2009, compared to an increase in net assets of \$154,289 (26.89%) during the prior year. This decrease is primarily due to a \$47,528 decrease in traffic fines revenue, a \$27,569 decrease in commission and fees revenue, a \$32,271 decrease in state grant revenue, a \$13,789 increase in training expense and an increase of \$30,625 in capital outlays.

During the year ended December 31, 2009, program revenues accounted for \$627,082 or 99.53% of total revenues compared to \$734,450 or 97.09 % of total revenues during the prior year.

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 627,082	\$ 734,450
General revenues:		
Interest	2,586	6,061
Other	<u>350</u>	<u>15,934</u>
Total revenues	<u>630,018</u>	<u>756,445</u>
Expenses:		
Public Safety	<u>633,317</u>	<u>602,156</u>
Increase (decrease) in net assets	(3,299)	154,289
Net assets, beginning of year	<u>728,087</u>	<u>573,798</u>
Net assets, end of year	<u>\$ 724,788</u>	<u>\$ 728,087</u>

FINANCIAL ANALYSIS OF THE MARSHAL'S INDIVIDUAL FUNDS

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

Governmental Funds

The focus of the Marshal's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Marshal's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Marshal's net resources available for spending at the end of the year.

As of the end of the current year, the Marshal's governmental funds reported ending fund balances totaling \$315,338, a decrease of \$113,031 (26.39%) compared to the prior year. The ending fund balances are unreserved and available for spending at the Marshal's discretion in the coming year.

The Contingency Fund is the chief operating fund of the Marshal. The fund's unreserved fund balance as of December 31, 2009, totaled \$93,258 compared to \$214,301 at the end of the prior year.

CONTINGENCY FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Marshal complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The Marshal's budget was amended on December 11, 2009 because the amounts actually spent for dues and publications, law enforcement supplies, office expense, training, travel expense, public education, other operating expenses, and capital outlays were more than originally budgeted.

Actual expenditures were \$203,987 more than the amount originally budgeted.

Revenues available for expenditure were \$586 more than the final budgeted amounts.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Marshal's investment in capital assets for its governmental activities as of December 31, 2009, totaled \$841,865, net of accumulated depreciation of \$454,705, leaving a book value of \$387,160. This investment in capital assets consists of automobiles, law enforcement equipment, office equipment, and furniture and fixtures.

Major additions during 2009 included two vehicles, a forensic recovery of evidence device, five laptop computers, three mobile radios, and a cover for the emergency communications trailer.

In terms of historical cost, the Marshal's investment in capital assets increased \$185,653, about 28.29%, during 2009. Depreciation charges for the year totaled \$98,211.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for the fiscal year ended December 31, 2010 was prepared:

Revenues are expected to remain consistent with the prior year.

Expenses are expected to remain consistent with the prior year.

Capital expenditures are expected to be approximately \$74,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Marshal and seeks to demonstrate the Marshal's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Johnny Wyatt, Bossier City Marshal, 620 Benton Road, Bossier City, Louisiana 71111, or by calling (318) 741-8835.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Net Assets
Governmental Activities
December 31, 2009

Assets	
Cash and cash equivalents	\$ 172,709
Investments	101,548
Accounts receivable	3,713
Prepaid expenses	22,290
Due from Bossier City	90,689
Due from City Court	21,244
Capital assets, net of accumulated depreciation	<u>387,160</u>
Total assets	<u>799,331</u>
Liabilities	
Accounts payable	<u>74,543</u>
Total liabilities	<u>74,543</u>
Net Assets	
Invested in capital assets	387,160
Unrestricted	<u>337,628</u>
Total net assets	<u>\$ 724,788</u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Activities
Governmental Activities
For the Year Ended December 31, 2009

Expenses		
Public safety		<u>\$ 633,317</u>
Program Revenues		
City Court - traffic fines		407,955
Commissions and fees		197,939
Intergovernmental - state grants		<u>21,188</u>
Total programs revenues		<u>627,082</u>
Net program revenues		<u>(6,235)</u>
General Revenues		
Interest Income		2,586
Miscellaneous		<u>350</u>
Total general revenues		<u>2,936</u>
Change in Net Assets		(3,299)
Net assets - December 31, 2008		<u>728,087</u>
Net assets - December 31, 2009		<u><u>\$ 724,788</u></u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Balance Sheet
Governmental Funds
December 31, 2009

	Contingency Fund	Probation Fund	General Fund	Total
Assets				
Cash and cash equivalents	\$ 53,135	\$ 116,541	\$ 3,033	\$ 172,709
Investments		101,546		101,546
Accounts receivable	845		2,868	3,713
Due from Bossier City	90,669			90,669
Due from City Court	21,244			21,244
Total assets	\$ 165,893	\$ 218,087	\$ 5,901	\$ 389,881
Liabilities				
Accounts payable	\$ 72,635	\$ 1,109	\$ 799	\$ 74,543
Fund Equity				
Fund balances - unreserved	93,258	216,978	5,102	315,338
Total liabilities and fund balances	\$ 165,893	\$ 218,087	\$ 5,901	\$ 389,881

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
to Net Assets of Governmental Activities on the Statement of Net Assets
December 31, 2009

Fund Balances - Total Governmental Funds	\$	315,338
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
 <i>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</i>		
		22,290
 <i>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</i>		
Add - capital assets		841,865
Deduct - accumulated depreciation		(454,705)
		<hr/>
Net Assets of Governmental Activities	\$	<u>724,788</u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	Contingency Fund	Probation Fund	General Fund	Total
Revenues:				
City Court - traffic fines	\$ 407,955	\$	\$ 47,326	\$ 407,955
Commissions and fees	90,669	59,944	47,326	197,939
Intergovernmental - state grant	21,188			21,188
Interest income	761	1,695	130	2,586
Miscellaneous	100		250	350
Total revenues	520,673	61,639	47,706	630,018
Expenditures:				
Current - Public Safety				
Automobiles	23,451			23,451
Dues and publications	22,129			22,129
Law enforcement supplies	124,634			124,634
Office expense	65,799			65,799
Salaries and related expenses		5,571	45,656	51,227
Training	64,291			64,291
Travel, lodging, and meals	58,958			58,958
Public education	57,914			57,914
Other operating	88,887		106	88,993
Capital outlay	185,653			185,653
Total expenditures	691,716	5,571	45,762	743,049
Net changes in fund balances	(171,043)	56,068	1,944	(113,031)
Other financing sources (uses):				
Transfers in	50,000			50,000
Transfers out		(50,000)		(50,000)
	50,000	(50,000)		
Net changes in fund balance and other sources	(121,043)	6,068	1,944	(113,031)
Fund balances at beginning of year	214,301	210,910	3,158	428,369
Fund balances at end of year	\$ 93,258	\$ 216,978	\$ 5,102	\$ 315,338

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Governmental Funds	\$ (113,031)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$185,653) exceeds depreciation expense (\$98,211) in the current period.

87,442

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.

22,290

Change in Net Assets of Governmental Activities

\$ (3,299)

The notes to the financial statements are an integral part of this statement.

City Court of Bossier City
A Component Unit of the City of Bossier City, Louisiana
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2009

	<u>Sales and Seizure Fund</u>	<u>Garnishment Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$	43,542	\$ 43,542
Total assets	<u>\$</u>	<u>43,542</u>	<u>\$ 43,542</u>
Liabilities			
Unsettled deposits	\$	43,542	\$ 43,542
Total liabilities	<u>\$</u>	<u>43,542</u>	<u>\$ 43,542</u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009

INTRODUCTION

The Bossier City Marshal (the Marshal) is a separate organization within the City of Bossier City's (the City) organizational structure established in accordance with Louisiana Revised Statute 13:1879. The Marshal's office is funded by the City. The Marshal's departmental expenses, such as payroll and related costs, maintenance, utilities, etc., are paid 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 City Court and, therefore, is responsible for executing the orders and mandates of the City Court.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The Marshal is an independently elected official; however, the Marshal is fiscally dependent on the City. The City maintains and operates the city courthouse in which the Marshal's office is located and provides funds for equipment and furniture of the Marshal's office. Because the Marshal is fiscally dependent on the City, the Marshal was determined to be a component unit of the City, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

Funds of the Marshal are classified into two categories: governmental funds and fiduciary (agency) funds. These funds are described as follows:

Governmental Funds

Governmental funds account for all of the 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 Marshal. The following are the Marshal's major governmental funds:

Contingency Fund - The Contingency Fund is the general operating fund of the Marshal. The Marshal's share of court costs assessed by City Court as authorized by Louisiana Statute R.S. 13:1899C, collections of traffic fines, and collections of court-imposed fines remitted to City Court are all accounted for in this fund. General operating expenditures are paid from this fund.

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

General Fund - The General Fund is used to account for the collection of service fees, garnishment fees, and sales and seizure fees due to the Marshal. These funds are used primarily to supplement salaries of the Marshal's office.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Marshal in a trustee capacity or as an agent for individuals, private organizations, other government units, and /or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting. The following are the Marshal's fiduciary funds:

Sales and Seizure Fund - The Sales and Seizure 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 City Court. The Marshal receives a 6% commission for the execution of the seizure and sale, and fees for related services as established by Louisiana Statute R.S. 33:1704.

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 City Court. The Marshal receives a 6% commission for the executions of orders and writs of City Court as established by Louisiana Statute R.S. 33:1704.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds 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 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 Marshal's operations.

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

Revenues

Commissions and fees for services are recorded in the year in which they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. Substantially all other revenues are recorded when received by the Bossier City Marshal. Based on the above criteria, commissions and fees for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Capital outlays are reported at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted as other financing sources (uses) and are recognized when the underlying events occur.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Marshal as a whole. These statements include all non-fiduciary activities of the Marshal. Information contained in these statements reflects the economic resources measurement focus and the 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 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*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from fee for services; program revenues reduce the cost of the function to be financed from the Marshal's general revenues.

E. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Time deposits with original maturities in excess of 90 days are recorded as investments. Investments are stated at cost, which approximates market value.

The marshal's investments comply with Louisiana Statutes (LSA R.S.*33:2955). Under state law, the Marshal may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Marshal maintains a threshold level of \$2,500 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

Furniture and equipment	5 – 7 years
Vehicles	5 years

For fund financial statements, capital assets are recorded as expenditures in the governmental funds at the time purchased.

No depreciation is recorded in the fund financial statements.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

H. NET ASSETS

Net assets represent the difference between assets and liabilities. Unrestricted net assets represent net assets not appropriate for expenditures or legally segregated for a specific future use. *Restricted net assets represent external restrictions imposed by laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.* The Marshal's policy is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

(2) BUDGET

The Marshal adopts an annual budget for the Contingency Fund, the Probation Fund, and the General Fund. Through the budget, the Marshal allocates its resources and establishes its priorities. The annual budget assures the efficient and effective uses of the Marshal's economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the Marshal's performance.

The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end. The Marshal may revise or amend the budget at its discretion. Management may not amend the budget.

The proposed budget for the December 31, 2009, fiscal year was made available for public inspection at the Marshal's office on December 11, 2008. The proposed budget is prepared on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP).

The Marshal amended the budget for the Contingency Fund, the Probation fund and the General Fund on December 11, 2009.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

(3) CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2009, the Marshal had cash, cash equivalents, and investments (book balances) totaling \$317,797 as follows:

A. Cash, cash equivalents and investments:

Governmental Funds:	
Contingency Fund	\$ 53,135
Probation Fund	218,087
General Fund	<u>3,033</u>
Total Governmental Funds	274,255
Fiduciary (Agency) Funds:	
Garnishment Fund – operating	<u>43,542</u>
Total – All Funds	<u>\$ 317,797</u>

B. Investments:

At December 31, 2009, the Marshal held certificates of deposit totaling \$101,546 in the Probation Fund that was classified as investments since their maturity was in excess of ninety days subsequent to their initial purchase. These certificates of deposit are carried at cost which approximates market value and are secured by federal deposit insurance. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955.

C. Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the government will not be able to recover its deposits. As of December 31, 2009, the government's bank balance of \$329,452 was protected by \$175,769 of FDIC insurance and \$153,683 of NCUSIF insurance.

(4) ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31, 2009:

Service fees	\$ 2,290
Grant receivable	845
Other	<u>578</u>
Total	<u>\$ 3,713</u>

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

The Marshal has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(5) DUE FROM BOSSIER CITY

The Contingency Fund "Due from Bossier City" in the amount of \$90,669 at December 31, 2009, reports fines collected in December 2009 by the City of Bossier City not remitted to the Marshal until January 2010.

(6) DUE FROM CITY COURT

The Contingency Fund "Due from City Court" in the amount of \$21,244 at December 31, 2009, reports fines collected in December 2009 by the City Court not remitted to the Marshal until January 2010.

(7) CAPITAL ASSETS

Changes in capital assets and depreciation for the year ended December 31, 2009, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 656,212	\$ 185,853	\$ -	\$ 841,865
Less accumulated depreciation:				
Furniture and equipment	(356,494)	(98,211)	-	(454,705)
Net capital assets	<u>\$ 299,718</u>	<u>\$ 87,442</u>	<u>\$ -</u>	<u>\$ 387,160</u>

Depreciation expense for the year ended December 31, 2009 was \$98,211 and was recorded in the public safety function.

(8) CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	<u>Sales and Seizures Fund</u>	<u>Garnishment Fund</u>	<u>Total</u>
Balance at beginning of year	\$ -	\$ 504	\$ 504
Additions	5,169	500,176	505,345
Reductions	<u>(5,169)</u>	<u>(457,138)</u>	<u>(462,307)</u>
Balance at end of year	<u>\$ -</u>	<u>\$ 43,542</u>	<u>\$ 43,542</u>

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2009
(Continued)

(9) **MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)**

A. Plan Description

The System is composed of two distinct cost sharing multiple employer defined benefit plans, Plan A and Plan B, with separate assets and benefit provisions. The Marshal is a member of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from Marshal funds are eligible to participate in the System. Under Plan B, employees can retire providing he (she) meets one of the following criteria: (a) any age with thirty (30) years of creditable service; (b) at age 60 with a minimum of ten (10) or more years of creditable service; (c) under age 60 with ten (10) years of creditable service eligible for disability benefits; (d) survivor's benefits require five (5) years creditable service at death of member. Retirement benefits are payable monthly for life equal to 2% of their final average salary for each year of creditable service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

B. Funding Policy

Under Plan B, members are required by state statute to contribute 5% of their annual covered salary and the Marshal is required to contribute at an actuarially determined rate. The rate is 6.75% from January 1, 2009 through December 31, 2009 of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Marshal are established and may be amended by state statute. 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 the System under Plan B for the years ended December 31, 2009, 2008 and 2007 were \$5,572, \$5,771, and \$6,720 respectively, which is equal to the required contribution.

(10) **EXPENDITURES OF THE MARSHAL PAID BY THE CITY**

The Marshal's administrative office is located in a building owned by the City. The costs of maintaining and operating the building, as required by statute, are paid by the City and are not included in the accompanying financial statements.

(11) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 13, 2010, the date the financial statements were available to be issued.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Cash Basis) - Contingency Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
City Court - traffic fines	\$ 400,000	\$ 410,000	\$ 418,350	\$ 8,350
Commissions and fees		99,707	90,669	(9,038)
Grant		20,000	21,188	1,188
Interest income	1,800	875	761	86
Miscellaneous		100	100	
Total revenues	<u>401,800</u>	<u>530,482</u>	<u>531,068</u>	<u>586</u>
Expenditures:				
Current - Public Safety				
Automobiles	29,926	24,800	23,446	1,354
Dues and publications	15,000	23,000	22,174	826
Law enforcement supplies	65,000	102,000	85,770	16,230
Office expense	71,000	74,000	67,331	6,669
Training	12,000	58,000	64,291	(6,291)
Travel, lodging, and meals	40,300	69,000	61,170	7,830
Public education	38,000	52,000	43,697	8,303
Other operating	76,800	87,300	86,666	634
Capital outlay	86,000	185,000	181,468	3,532
Total expenditures	<u>432,026</u>	<u>675,100</u>	<u>636,013</u>	<u>39,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,226)</u>	<u>(144,618)</u>	<u>(104,945)</u>	<u>39,673</u>
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	50,000	
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
Net changes in fund balances	19,774	(94,618)	(54,945)	39,673
Fund balances at beginning of year	<u>108,080</u>	<u>108,080</u>	<u>108,080</u>	
Fund balances at end of year	<u>\$ 127,854</u>	<u>\$ 13,462</u>	<u>\$ 53,135</u>	<u>\$ 39,673</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Cash Basis) - Probation Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Commissions and fees	\$ 75,000	\$ 60,000	\$ 59,944	\$ (56)
Interest income	3,000	1,050	1,695	645
Total revenues	<u>78,000</u>	<u>61,050</u>	<u>61,639</u>	<u>589</u>
Expenditures:				
Current - Public Safety				
Salaries and related expenses	12,000	6,000	4,935	1,065
Other operating	100	100		100
Total expenditures	<u>12,100</u>	<u>6,100</u>	<u>4,935</u>	<u>1,165</u>
Excess of revenues over expenditures	65,900	54,950	56,704	1,754
Other Financing Sources (Uses):				
Transfer to other funds	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	
Net Change in Fund Balance	15,900	4,950	6,704	1,754
Fund balance at beginning of year	<u>211,383</u>	<u>211,383</u>	<u>211,383</u>	
Fund balance at end of year	<u>\$ 227,283</u>	<u>\$ 216,333</u>	<u>\$ 218,087</u>	<u>\$ 1,754</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Cash Basis) - General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Commissions and fees	\$ 44,500	\$ 45,850	\$ 44,908	\$ (842)
Interest income	250	110	130	20
Miscellaneous income			250	250
Total revenues	<u>44,750</u>	<u>45,960</u>	<u>45,288</u>	<u>(672)</u>
Expenditures:				
Current - Public Safety				
Salaries and related expenses	46,000	48,000	47,736	264
Other operating	200	200	106	94
Total expenditures	<u>46,200</u>	<u>48,200</u>	<u>47,842</u>	<u>358</u>
Excess of revenues over expenditures	(1,450)	(2,240)	(2,554)	(314)
Fund balance at beginning of year	<u>5,587</u>	<u>5,587</u>	<u>5,587</u>	
Fund balance at end of year	<u>\$ 4,137</u>	<u>\$ 3,347</u>	<u>\$ 3,033</u>	<u>\$ (314)</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component of the City of Bossier City
Note to Required Supplementary Information
December 31, 2009

The Budgetary Comparison Schedule- Budget to Actual (Cash Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis (cash basis) differ significantly from those used to present financial statements in conformity with GAAP (modified accrual basis), a reconciliation of resulting basis differences in the revenues in excess of (less than) expenditures between budgetary and GAAP presentations for the year ended December 31, 2009, is presented below:

	Contingency Fund	Probation Fund	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (54,945)	\$ 6,704	\$ (2,554)
Adjustments:			
Revenue accruals – net	(10,395)	–	2,418
Expenditure accruals – net	<u>(55,703)</u>	<u>(636)</u>	<u>2,080</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (121,043)</u>	<u>\$ 6,068</u>	<u>\$ 1,944</u>

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

Bossier City Marshal
Bossier City, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier City Marshal as of and for the year ended December 31, 2009, which collectively comprise the Bossier City Marshal's basic financial statements, and have issued our report thereon dated April 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

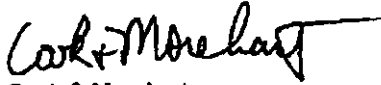
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination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

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

Compliance and Other Matters

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

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



Cook & Morehart
Certified Public Accountants
April 13, 2010

Bossier City Marshal
Bossier City, Louisiana
Schedule For Louisiana Legislative Auditor
December 31, 2009

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2008.

Current Year Audit Findings

There were no current year findings or management letter comments for the year ended December 31, 2009.