

**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, 2018**

Bossier City Marshal
Bossier City, Louisiana

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Bossier City Marshal
Bossier City, Louisiana

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Independent Auditors' Report

Bossier City Marshal
City of Bossier City, Louisiana

Report on the Financial Statements

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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Bossier City Marshal's basic financial statements as listed in the table of contents.

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.

Auditors' Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2018, and the respective changes in financial position thereof for the year then ended 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 management's discussion and analysis on pages 4 – 10, budgetary comparison information on pages 36 – 38, the Schedule of Proportionate Share of Net Pension Liability on page 34, and the Schedule of Contributions on page 35, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bossier City Marshall's basic financial statements. The other supplementary information Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management. Section I of that schedule was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section I of the schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Section I of the Schedule of Compensation, Benefits, and Other Payments to Agency Head is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 39 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2019, on our consideration of 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 solely 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 effectiveness of the Bossier City Marshal's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bossier City Marshal's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
April 15, 2019

**BOSSIER CITY MARSHAL
BOSSIER CITY, LOUISIANA**

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, 2018. 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 an increase in net assets of 2.56% (\$20,801) during the fiscal year ended December 31, 2018 compared to a decrease of 10.06% (\$90,798) during the prior year. As of December 31, 2018 the assets of the Marshal exceed its liabilities by \$832,873. Of this amount \$669,742 (80.41%) is reported as "unrestricted net position" and represents the amount available to be used to meet the Marshal's ongoing obligations to the citizens of Bossier City, Louisiana.

Traffic fines, commissions and fees revenue for the year ended December 31, 2018 increased by \$45,095 as compared to the year ended December 31, 2017.

Expenses for the year ended December 31, 2018 decreased by \$66,568 or 19.25% from the year ended December 31, 2017.

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 position* presents all of the Marshal's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Marshal's net position 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 position changed during the most recent year using the full accrual basis of accounting. All changes in net position 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 two governmental funds: the General Fund and the Probation 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 one fiduciary fund, the 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 General Fund and the Probation 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. This section also includes a Schedule of Proportionate Share of Net Pension Liability and a Schedule of Contributions related to the Marshal's participation in the Municipal Employees' Retirement System.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net Position may serve over time as a useful indicator of the Marshal's financial position. The Marshal's assets exceeded liabilities by \$832,873 as of December 31, 2018, compared to \$812,072 at the end of the previous year. The Marshal continues to maintain a high level of liquidity with \$389,903 (58.22% of unrestricted net position) held in cash and cash equivalents and \$256,711 (38.33% of unrestricted net position) invested in short-term time deposits with local financial institutions.

At December 31, 2018, \$125,765 (15.10%) of the Marshal's net position reflects investment in capital assets compared to \$175,776 (21.65%) 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.

	Governmental Activities	
	2018	2017
Current assets	\$ 764,259	\$ 710,684
Capital assets, net of accumulated depreciation	125,765	175,776
Total assets	890,024	886,460
Deferred outflows of resources-pension related	15,529	21,424
Current liabilities	46,196	69,372
Non-current liabilities:		
Due in more than one year	25,342	25,878
Total liabilities	71,538	95,250
Deferred inflows of resources-pension related	1,142	562
Investment in capital assets	125,765	175,776
Restricted	37,366	46,933
Unrestricted	669,742	589,363
Total net position	\$ 832,873	\$ 812,072

Changes in Net Position

The Marshal's net position increased by \$20,801 (2.56%) during the year ended December 31, 2018, compared to a decrease in net position of \$90,798 (10.06%) during the prior year.

During the year ended December 31, 2018, program revenues accounted for \$298,194 or 99.37% of total revenues compared to \$253,092 or 99.24% of total revenues during the prior year.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues:		
Charges for services	\$ 297,442	\$ 252,347
Operating contributions-pension related	752	745
General revenues:		
Interest	1,873	1,944
Total revenues	<u>300,067</u>	<u>255,036</u>
Expenses:		
Public Safety	279,266	345,834
Increase (decrease) in net position	20,801	(90,798)
Net position, beginning of year	812,072	902,870
Net position, end of year	<u>\$ 832,873</u>	<u>\$ 812,072</u>

Total revenues decreased \$45,031, or 17.66%, from total revenues in 2017 of \$255,036 to total revenues of \$300,067 in 2018. The main reason for the increase is an increase in fees collected from fines, commissions and fees. Expenses decreased \$66,568, or 19.25%, from total expenses in 2017 of \$345,834 to total expenses of \$279,266 in 2018.

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, unassigned 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 \$689,584, an increase of \$64,719 (10.36%) compared to the prior year. The ending fund balances are available for spending in the coming year.

The General Fund is the chief operating fund of the Marshal. The general fund's unassigned fund balance as of December 31, 2018, totaled \$652,218 compared to \$577,932 at the end of the prior year.

GENERAL 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.).

Actual expenditures were \$559,446 less than the final budgeted amounts.

Revenues available for expenditure were \$45,122 more than the final budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Marshal's investment in capital assets for its governmental activities as of December 31, 2018, totaled \$755,338, net of accumulated depreciation of \$629,573, leaving a book value of \$125,765. This investment in capital assets consists of automobiles, law enforcement equipment, office equipment, and furniture and fixtures.

There were no capital asset additions during 2018.

Debt

At the end of 2018, the Marshal had \$25,342 in long-term liabilities with regards to pensions, as described below.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Net pension liability	<u>\$ 25,342</u>	<u>\$ 25,878</u>

More detailed information about the pension liability is presented in Notes 13 and 14 to the financial statements.

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, 2018 was prepared:

Revenues are expected to remain consistent with the prior year.

Expenses are expected to remain consistent with the prior year.

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. Jim Whitman, 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 Position
December 31, 2018

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 389,903
Investments	256,711
Accounts receivable	3,913
Prepaid expenses	28,479
Due from Bossier City	77,209
Due from City Court	8,044
Capital assets (net)	125,765
Total assets	890,024
Deferred outflows of resources-pension related	15,529
Liabilities	
Accounts payable	1,013
Due to Bossier City	45,183
Non current liabilities	
Due in more than one year	25,342
Total liabilities	71,538
Deferred inflows of resources-pension related	1,142
Net Position	
Investment in capital assets	125,765
Restricted for probation activities	37,366
Unrestricted	669,742
Total net position	\$ 832,873

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
For the Year Ended December 31, 2018

	Governmental Activities
Expenses	
Public safety	\$ 279,266
Program Revenues	
Charges for services:	
City Court - traffic fines	104,955
Commissions and fees	192,487
Operating grants and contributions-pension related	752
Total program revenues	298,194
Net program revenues (expense)	18,928
General Revenues	
Interest income	1,873
Total general revenues	1,873
Change in net position	20,801
Net position - December 31, 2017	812,072
Net position - December 31, 2018	\$ 832,873

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, 2018

	General Fund	Probation Fund	Total
Assets			
Cash and cash equivalents	\$ 352,137	\$ 37,766	\$ 389,903
Investments	256,711		256,711
Accounts receivable	3,913		3,913
Due from Bossier City	77,209		77,209
Due from City Court	8,044		8,044
	<u>698,014</u>	<u>37,766</u>	<u>735,780</u>
Total assets	\$ 698,014	\$ 37,766	\$ 735,780
Liabilities			
Accounts payable	\$ 613	\$ 400	\$ 1,013
Due to Bossier City	45,183		45,183
	<u>45,796</u>	<u>400</u>	<u>46,196</u>
Total liabilities	45,796	400	46,196
Fund Balances			
Restricted for probation activities		37,366	37,366
Unassigned	652,218		652,218
	<u>652,218</u>	<u>37,366</u>	<u>689,584</u>
Total fund balances	652,218	37,366	689,584
Total liabilities and fund balances	\$ 698,014	\$ 37,766	\$ 735,780

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 Position of Governmental Activities on the Statement of Net Position
December 31, 2018

Fund Balances - Total Governmental Funds	\$	689,584
Amounts reported for governmental activities in the statement of net position are different because:		
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.		
		28,479
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Add - capital assets		755,338
Deduct - accumulated depreciation		(629,573)
Other long-term amounts are not available to pay for current-period expenditures and therefore are not available in the governmental funds:		
Deferred outflows-pension related		15,529
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds:		
Deferred inflows-pension related		(1,142)
Net pension liability		(25,342)
		832,873
Net Position of Governmental Activities	\$	832,873

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, 2018

	General Fund	Probation Fund	Total
Revenues:			
City Court - traffic fines	\$ 104,955	\$	\$ 104,955
Commissions and fees	151,962	40,525	192,487
Interest income	1,834	39	1,873
Total revenues	<u>258,751</u>	<u>40,564</u>	<u>299,315</u>
Expenditures:			
Current - Public Safety			
Dues and publications	6,016		6,016
Law enforcement supplies	56,169		56,169
Office expense	31,724	131	31,855
Training	5,405		5,405
Travel, lodging, and meals	18,546		18,546
Public education	750		750
Insurance	19,886		19,886
Professional fees	16,250		16,250
Other operating	7,809		7,809
Salaries and related expenses	26,727		26,727
Appropriation to City for personnel related	45,183		45,183
Total expenditures	<u>234,465</u>	<u>131</u>	<u>234,596</u>
Net changes in fund balances	<u>24,286</u>	<u>40,433</u>	<u>64,719</u>
Other financing sources (uses):			
Transfers in	50,000		50,000
Transfers out		(50,000)	(50,000)
	<u>50,000</u>	<u>(50,000)</u>	
Net changes in fund balance and other sources	74,286	(9,567)	64,719
Fund balances at beginning of year	<u>577,932</u>	<u>46,933</u>	<u>624,865</u>
Fund balances at end of year	<u>\$ 652,218</u>	<u>\$ 37,366</u>	<u>\$ 689,584</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
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, 2018

Net Change in Fund Balances - Governmental Funds	\$	64,719
Amounts reported for governmental activities in the statement of activities are different because:		
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 depreciation expense (\$50,011) exceeds capital outlays (\$0) in the current period.		
		(50,011)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
		12,032
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities		
Non-employer contributions to cost-sharing pension plan		752
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Pension expense		<u>(6,691)</u>
Change in Net Position of Governmental Activities	\$	<u><u>20,801</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
Statement of Fiduciary Net Position
Agency Fund
December 31, 2018

	<u>Garnishment Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 30,191</u>
Total assets	<u><u>\$ 30,191</u></u>
Liabilities	
Unsettled deposits	<u>\$ 30,191</u>
Total liabilities	<u><u>\$ 30,191</u></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, 2018

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 (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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 payroll and related costs, 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, 2018
(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:

General Fund – The General 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.

Special Revenue Fund – This fund is established to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service and capital projects. The Marshal's only special revenue fund is the Probation 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 to defray the cost of the probation activity.

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 is the Marshal's fiduciary fund:

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, 2018
(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, 2018
(Continued)

Government-wide Financial Statements (GWFS)

The Statement of Net Position 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).

Program Revenues – Program revenues included in the Statement of Activities consist of charges for services which are derived directly from a fee for services, and non-employer contributions to cost-sharing pension plan. 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 – 20 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, 2018
(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 POSITION

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the Marshal's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Marshal's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

I. FUND BALANCES

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the Bossier City Marshal (the Marshal's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the Bossier City Marshal removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the Marshal's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications

The Marshal's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

J. INTERFUND ACTIVITY

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. At December 31, 2018, there were no outstanding balances between funds.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *Deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Marshal currently has deferred outflows of resources related to pensions in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Marshal currently has deferred inflows of resources related to pensions.

(2) BUDGET

The Marshal adopts an annual budget for the General Fund and the Probation 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, 2018, fiscal year was made available for public inspection at the Marshal's office on December 15, 2017. 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). There was one budget amendment during the year ended December 31, 2018.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

(3) CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2018, the Marshal had cash, cash equivalents, and investments (book balances) totaling \$676,805 as follows:

A. Cash and cash equivalents:

Governmental Funds:	
General Fund	\$ 352,137
Probation Fund	<u>37,766</u>
Total Governmental Funds	389,903
Fiduciary (Agency) Funds:	
Garnishment Fund	<u>30,191</u>
Total – All Funds	<u>\$ 420,094</u>

B. Investments:

At December 31, 2018, the Marshal held certificates of deposit totaling \$256,711 in the General Fund that were 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, 2018, the government's bank balance of \$682,254 was protected by \$403,898 of FDIC insurance and \$136,148 of NCUSIF insurance, with the remaining \$142,208 protected and collateralized with pledged securities held by the custodial bank's trust department not in the Bossier Marshal's name.

(4) ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31, 2018:

Service Fees	<u>\$ 3,913</u>
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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.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

(5) DUE FROM BOSSIER CITY

The General Fund "Due from Bossier City" in the amount of \$77,209 at December 31, 2018, represents fines collected in 2018 by the City of Bossier City not remitted to the Marshal until January, 2019.

(6) DUE FROM CITY COURT

The General Fund "Due from City Court" in the amount of \$8,044 at December 31, 2018, represents fines collected in December, 2018 by the City Court not remitted to the Marshal until January 2019.

(7) CAPITAL ASSETS

Changes in capital assets and depreciation for the year ended December 31, 2018, 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	\$ 801,187	\$	\$ (45,849)	\$ 755,338
Less accumulated depreciation:				
Furniture and equipment	<u>(625,411)</u>	<u>(50,011)</u>	<u>45,849</u>	<u>(629,573)</u>
Net capital assets	<u>\$ 175,776</u>	<u>\$ (50,011)</u>	<u>\$</u>	<u>\$ 125,765</u>

Depreciation expense for the year ended December 31, 2018 was \$50,011 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>Garnishment Fund</u>
Balance at beginning of year	\$ 29,245
Additions	385,579
Reductions	<u>(384,633)</u>
Balance at end of year	<u>\$ 30,191</u>

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

(9) DUE TO BOSSIER CITY

The General Fund "Due to Bossier City", in the amount of \$45,183 at December 31, 2018, represents an amount due to the City of Bossier City for personnel and personnel related costs for 2018 which were not paid until 2019.

(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 15, 2019, the date the financial statements were available to be issued.

(12) INTERFUND TRANSFERS

The Probation Fund transfers funds annually to assist in offsetting operating expenditures of the General Fund.

(13) RETIREMENT SYSTEM

The Municipal Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and provided for by Louisiana Revised Statute 11:1731. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The System provides 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. Effective January 1, 2016, the Bossier City Marshal's Office began participating in Plan B.

Prior to January 1, 2017, the Marshal's proportionate share of the net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense was included in the City of Bossier City's amounts and was not separately reported by the Municipal Employee's Retirement System (System). Effective January 1, 2017, the System began reporting these amounts separately for the Marshal. Accordingly, the Marshal's proportionate share of the net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense are reported in the accompanying government-wide financial statements.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

Plan Description

Eligibility Requirements:

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Retirement Benefits:

Any member of Plan B who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for retirement for Plan B Tier 2 members is as follows:

1. Age 67 with seven (7) or more years of creditable service
2. Age 62 with ten (10) or more years of creditable service
3. Age 55 with thirty (30) or more years of creditable service
4. Any age with twenty five (25) years of creditable service, exclusive of military service and unused sick leave.

Generally, the monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B, 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 and are paid in lieu of any other survivor benefits.

DROP Benefits:

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B 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 that would be payable, had the person elected to cease employment and receive 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

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

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 none, 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 B, a member shall be eligible to retire and receive a disability benefit if he has at least ten 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 B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

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 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:

Both plans provide for deferred benefits for members who terminate before being 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.

Contributions

Contributions for all members are established by statute. Member contributions are at 5% of earnable compensation for Plan B. According to state statute, contribution requirements for all employers are actuarially determined each year. For the plan years ending June 30, 2018 and 2017, the actual employer contribution rates were 13.25% and 11%, respectively, for Plan B. The Marshal's contributions to the System for the years ended December 31, 2018 and 2017 were \$3,025 and \$2,692, respectively.

Non-Employer Contributions

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions totaling \$752 are recognized as revenue during the year ended December 31, 2018, and excluded from pension expense.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Marshal reported a liability of \$25,342 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts. The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the fiscal year ended June 30, 2018 as compared to the total of all employers' contributions received by the System during the fiscal year ended June 30, 2018. The Marshal's proportion as measured at June 30, 2018, was .029961%, which is an increase of .000052% from the proportion as measured at June 30, 2017.

For the year ended December 31, 2018, the Marshal recognized pension expense of \$9,733, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, \$(3,042).

At December 31, 2018, the Marshal reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68	\$ 1,142
Changes of assumptions	948	
Net difference between projected and actual earnings on pension plan investments	4,118	
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,841	
Employer contributions subsequent to the measurement Date	1,554	
Total	<u>\$ 15,529</u>	<u>\$ 1,142</u>

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

The Marshal reported a total of \$1,554 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2018, which will be recognized as a reduction in net pension liability in the year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 6,709
2020	5,624
2021	373
2022	127
Total	<u>\$ 12,833</u>

Actuarial Methods and Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.275%
Inflation Rate	2.6%
Projected Salary Increases	5.0%
Annuitant and beneficiary mortality	For annuitant and beneficiary mortality tables used were: RP-2000 Healthy Annuitant Sec Distinct Mortality Tables set forward 2 years for males and 1 year for females projected to 2028 using scale AA.
Employee mortality	For employees, the RP-2000 Disabled Lives Mortality Table set back 2 years for both males and females.
Disables lives mortality	For disable Annuitants, RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females.
Expected Remaining Service Lives	3 years

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public equity	50%	2.2%
Public fixed income	35%	1.5%
Alternatives	<u>15%</u>	<u>.6%</u>
Totals	<u>100%</u>	<u>4.3%</u>
Inflation		2.7%
Expected Arithmetic Nominal Return		7.0%

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an experience study for the period July 2009 through June 30, 2014. The discount rate used to measure the total pension liability was 7.275%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.275%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2018:

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 33,258	\$ 25,342	\$ 18,162

Changes in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2018 were recognized in the current reporting period except as follows:

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension benefit using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes of Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in Proportion:

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of June 30, 2018.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Pension Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan.

Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 3018. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2018
(Continued)

(14) LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Net pension liability	\$ 25,878	\$	\$ 536	\$ 25,342
Governmental Activities				
long-term liabilities	<u>\$ 25,878</u>	<u>\$</u>	<u>\$ 536</u>	<u>\$ 25,342</u>

Bossier City Marshal
A Component of the City of Bossier City
Schedule of Proportionate Share of Net Pension Liability
December 31, 2018

Municipal Employees' Retirement System

	<u>2017</u>	<u>2018</u>
Proportion of the net pension liability	.02991%	.02996%
Proportionate share of the net pension liability	\$ 25,878	\$ 25,342
Covered-employee payroll	\$ 22,200	\$ 22,200
Proportionate share of the net pension liability as a percentage of covered employee payroll	116.57%	114.15%
Plan fiduciary net position as a percentage of the total pension liability	63.49%	65.60%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Bossier City Marshal
A Component of the City of Bossier City
Schedule of Contributions
December 31, 2018

Municipal Employees' Retirement System

	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 2,692	\$ 3,025
Contributions in relation to the contractually required contribution	<u>2,692</u>	<u>3,025</u>
Contribution deficiency (excess)		
Covered-employee payroll	22,200	22,200
Contributions as a percentage of covered-employee payroll	12.13%	13.63%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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) - General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
Revenues:				
City Court - traffic fines	\$ 80,000	\$ 80,000	\$ 119,721	\$ 39,721
Commissions and fees	53,500	100,050	105,117	5,067
Interest income	1,500	1,500	1,834	334
Total revenues	135,000	181,550	226,672	45,122
Expenditures:				
Current - Public Safety				
Dues and publications	3,000	7,000	6,016	984
Law enforcement supplies	66,000	16,000	56,169	(40,169)
Office expense	12,250	23,750	33,576	(9,826)
Training	4,000	5,500	5,405	95
Travel, lodging, and meals	25,000	23,700	18,546	5,154
Public education	10,000		750	(750)
Insurance	23,000	23,000	19,886	3,114
Professional fees	15,000	12,000	16,250	(4,250)
Other operating	678,437	611,558	7,809	603,749
Salaries and related expenses	32,500	27,800	26,727	1,073
Appropriation to City for personnel related	90,000	67,000	66,728	272
Total expenditures	959,187	817,308	257,862	559,446
Excess (deficiency) of revenues over (under) expenditures	(824,187)	(635,758)	(31,190)	604,568
Other Financing Sources (Uses)				
Transfers in	75,000	45,000	50,000	5,000
Total other financing sources (uses)	75,000	45,000	50,000	5,000
Net changes in fund balances	(749,187)	(590,758)	18,810	609,568
Fund balances at beginning of year	749,187	590,758	590,038	(720)
Fund balances at end of year	\$	\$	\$ 608,848	\$ 608,848

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, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Amended		
Revenues:				
Commissions and fees	\$ 60,000	\$ 50,000	\$ 51,778	\$ 1,778
Interest income		30	39	9
Total revenues	60,000	50,030	51,817	1,787
Expenditures:				
Current - Public Safety				
Other operating	31,440	51,963	10,984	40,979
Total expenditures	31,440	51,963	10,984	40,979
Excess of revenues over expenditures	28,560	(1,933)	40,833	42,766
Other Financing Sources (Uses):				
Transfer to other funds	(75,000)	(45,000)	(50,000)	(5,000)
Net Change in Fund Balance	(46,440)	(46,933)	(9,167)	37,766
Fund balance at beginning of year	46,440	46,933	46,933	
Fund balance at end of year	\$	\$	\$ 37,766	\$ 37,766

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, 2018

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, 2018, is presented below:

	General Fund	Probation Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 18,810	\$ (9,167)
Adjustments:		
Revenue accruals - net	32,409	
Expenditure accruals - net	23,067	(400)
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	\$ 74,286	\$ (9,567)

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2018

Agency Head: Jim Whitman, Bossier City Marshal

SECTION I

Paid by the Bossier City Marshal:

PURPOSE		AMOUNT
Salary	\$	22,200
Benefits-retirement		3,025
Per diem		204
Reimbursement		113
Travel		328

SECTION II

Paid by the City of Bossier City:

PURPOSE		AMOUNT
Salary	\$	83,800
Benefits - insurance		9,820
Benefits - retirement		12,235

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J. PRESTON DELAUNE, CPA

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*

Independent Auditors' Report

Bossier City Marshal
Bossier City, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2018, and the related notes to the financial statements, which collectively comprise the Bossier City Marshal's basic financial statements, and have issued our report thereon dated April 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bossier City Marshal's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bossier City Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bossier City Marshal's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier City Marshal's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
April 15, 2019

Bossier City Marshal
Bossier City, Louisiana
Schedule of Audit Findings
December 31, 2018

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, 2017.

Current Year Audit Findings

There are no findings or management letter comments for the current year audit for the year ended December 31, 2018.

COOK & MOREHART

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Bossier City Marshal
Bossier City, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Bossier City Marshal, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures Year 2 (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Bossier City Marshal's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

Board (or Finance Committee, if applicable)

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Bank reconciliations selected for testing had evidence – documentation that items outstanding for more than 12 months were researched.

Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided the requested information, along with management's representation that the listing is complete.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Management provided the requested information, along with management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees responsible for cash collections do not share cash drawers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Each employee responsible for collecting cash is not responsible for preparing/making bank deposits for their drawer. Also, another employee is responsible for reconciling collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers. Another employee reviews and verifies postings and deposits.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers by revenue source and/or agency fund additions are sometimes responsible for collecting cash. Deposits are reviewed and verified by another employee.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

For the 6 deposits selected for testing, there were no exceptions noted for the procedures listed above.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Management provided the requested information, along with management's representation that the listing is complete.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Marshal's policies and procedures included all of the requirements listed, except as noted below.

Exception: The employee responsible for processing payments also adds vendors to the disbursement system.

Management's Response: The Marshal approves all vendors.

Exception: The employee responsible for mailing checks after the checks are signed is also responsible for processing payments.

Management's Response: Bossier City Marshal will explore other options for segregating duties over mailing of checks after authorized signatures are obtained.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For the transactions selected for testing, the disbursement matched the related original invoice and included evidence of segregation of duties.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

Travel and Expense Reimbursement

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, material and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts from the listing and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Not applicable
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law.

The Marshal approved all three (3) contracts selected for testing.
 - c) If the contract was amended observe that the original contract terms provided for such an amendment.

Not applicable

- d) Randomly select one payment from the fiscal period for each of the contracts selected, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and condition of the contract.

No exceptions noted on the three (3) payments selected for the criteria above.

Management provided the requested information, along with the management's representation that the listing was complete.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management provided the requested information, along with management's representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

For the one (1) employee/official selected above, the Bossier City Marshal, there is no documentation of daily attendance and leave, as it would not be required for the Marshal, an independent elected official.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Not applicable.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Management provided representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers compensation premiums have been paid, and the associated forms have been filed by the required deadlines.

Ethics (excluding nonprofits)

20. Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

Debt Service (excluding nonprofits)

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to the Bossier City Marshal not having any debt.

Other

Testing not required for this area for the fiscal period January 1, 2018 through December 31, 2018, due to no exceptions being noted in prior year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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 LLA as a public document.



Cook & Morehart
Certified Public Accountants
April 15, 2019