

**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, 2021

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 Audit of the Financial Statements

Opinions

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, 2021, 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.

In our opinion, the accompanying 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bossier City Marshal and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bossier City Marshal's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bossier City Marshal's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bossier City Marshal's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 37 – 40, the Schedule of Contributions on page 36, and the Schedule of Proportionate Share of Net Pension Liability on page 35, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

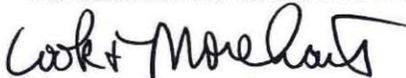
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bossier City Marshal's basic financial statements. The other supplementary information Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 41 is presented 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 41 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.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Bossier City Marshal prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedules, Justice System Funding Schedules, shown on pages 42 – 44, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 the Justice System Funding Schedules, shown on pages 42 – 44, are fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2022, on our consideration of the Bossier City Marshal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the Bossier City Marshal's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
May 13, 2022

**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, 2021. We encourage readers to consider the information presented here in conjunction with the Marshal's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Marshal experienced a decrease in net assets of (\$363) or 0.04% during the fiscal year ended December 31, 2021 compared to an increase of \$132,604 or 15.94% during the prior year. As of December 31, 2021 the assets of the Marshal exceed its liabilities by \$963,880. Of this amount \$785,685 (81.51%) 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, 2021 increased by \$28,702 as compared to the year ended December 31, 2020.

Expenses for the year ended December 31, 2021 increased by \$120,300 or 42% from the year ended December 31, 2020.

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 three governmental funds: the General Fund, Probation Fund, and the Equipment and Training 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, Probation fund, and Equipment and Training 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 \$963,880 as of December 31, 2021, compared to \$964,243 at the end of the previous year. The Marshal continues to maintain a high level of liquidity with \$650,411 (82.78% of unrestricted net position) held in cash and cash equivalents and \$262,521 (33.41% of unrestricted net position) invested in short-term time deposits with local financial institutions.

At December 31, 2021, \$55,381 (5.75%) of the Marshal's net position reflects investment in capital assets compared to \$56,343 (5.84%) 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	
	2021	2020
Current assets	\$ 986,557	\$ 985,357
Capital assets, net of accumulated depreciation	55,381	56,343
Total assets	<u>1,041,938</u>	<u>1,041,700</u>
Deferred outflows of resources-pension related	10,980	5,366
Current liabilities	55,574	56,005
Non-current liabilities:		
Due in more than one year	25,439	25,960
Total liabilities	<u>81,013</u>	<u>81,965</u>
Deferred inflows of resources-pension related	8,025	858
Investment in capital assets	55,381	56,343
Restricted	122,814	103,810
Unrestricted	785,685	804,090
Total net position	<u>\$ 963,880</u>	<u>\$ 964,243</u>

Changes in Net Position

The Marshal's net position decreased by (\$363) or .04% during the year ended December 31, 2021, compared to an increase in net position of \$132,604 or 15.94% during the prior year.

During the year ended December 31, 2021, program revenues accounted for \$390,414 or 96.76% of total revenues compared to \$413,289 or 99.31% of total revenues during the prior year.

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 355,438	\$ 326,736
Operating contributions:		
Pension related	1,098	797
Grant-contract revenue	33,878	85,756
General revenues:		
Interest	2,060	2,852
Contributions	11,000	
Total revenues	<u>403,474</u>	<u>416,141</u>
Expenses:		
Public Safety	403,837	283,537
Increase (decrease) in net position	(363)	132,604
Net position, beginning of year	964,243	831,639
Net position, end of year	<u>\$ 963,880</u>	<u>\$ 964,243</u>

Total revenues decreased \$12,667, or 3.04%, from total revenues in 2020 of \$416,141 to total revenues of \$403,474 in 2021. The main reason for the decrease is a decrease in grant and contract revenue. Expenses increased \$120,300, or 42.43%, from total expenses in 2020 of \$283,537 to total expenses of \$403,837 in 2021. The main reason for the increase in expenses is due to increase expenses in equipment and supplies.

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 \$901,032, a decrease of \$5,011 (.55%) 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, 2021, totaled \$778,218 compared to \$802,233 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 \$840,478 less than the final budgeted amounts.

Revenues available for expenditure were \$22,623 less 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, 2021, totaled \$548,937, net of accumulated depreciation of \$493,556, leaving a book value of \$55,381. This investment in capital assets consists of automobiles, law enforcement equipment, office equipment, and furniture and fixtures.

There was a capital asset addition during 2021. A vehicle totaling \$29,400.

Debt

At the end of 2021, the Marshal had \$25,439 in long-term liabilities with regards to pensions, as described below.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Net pension liability	<u>\$ 25,439</u>	<u>\$ 25,960</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, 2022 was prepared:

Revenues are expected to remain consistent with the prior year.

Expenses are expected to remain consistent with the prior year.

It is anticipated that management will consider and monitor the economic uncertainties of COVID-19 and the impact on available financial resources.

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, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 650,411
Investments	262,521
Accounts receivable	3,243
Due from Bossier City	30,501
Due from City Court	9,930
Prepaid expenses	29,951
Capital assets (net of accumulated depreciation)	55,381
Total assets	1,041,938
Deferred outflows of resources-pension related	10,980
Liabilities	
Accounts payable	8,428
Due to Bossier City	47,146
Non current liabilities	
Due in more than one year	25,439
Total liabilities	81,013
Deferred inflows of resources-pension related	8,025
Net Position	
Investment in capital assets	55,381
Restricted for probation activities	65,617
Restricted for equipment and training	57,197
Unrestricted	785,685
Total net position	\$ 963,880

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, 2021

	Governmental Activities
Expenses	
Public safety	\$ 403,837
Program Revenues	
Charges for services:	
City Court - traffic fines	141,970
Commissions and fees	213,468
Operating grants and contributions:	
Pension related	1,098
Grant-contract revenue	33,878
Total program revenues	390,414
Net program revenues (expense)	(13,423)
General Revenues	
Interest income	2,060
Contributions	11,000
Total general revenues	13,060
Change in net position	(363)
Net position - December 31, 2020	964,243
Net position - December 31, 2021	\$ 963,880

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, 2021

	General Fund	Probation Fund	Equipment and Training Fund	Total
Assets				
Cash and cash equivalents	\$ 530,639	\$ 65,617	\$ 54,155	\$ 650,411
Investments	262,521			262,521
Accounts receivable	3,243			3,243
Due from Bossier City	30,501			30,501
Due from City Court	6,888		3,042	9,930
Total assets	\$ 833,792	\$ 65,617	\$ 57,197	\$ 956,606
Liabilities				
Accounts payable	\$ 8,428	\$	\$	\$ 8,428
Due to Bossier City	47,146			47,146
Total liabilities	55,574			55,574
Fund Balances				
Restricted for probation activities		65,617		65,617
Restricted for equipment and training			57,197	57,197
Unassigned	778,218			778,218
Total fund balances	778,218	65,617	57,197	901,032
Total liabilities and fund balances	\$ 833,792	\$ 65,617	\$ 57,197	\$ 956,606

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, 2021

Fund Balances - Total Governmental Funds	\$	901,032
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.		
		29,951
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Add - capital assets		548,937
Deduct - accumulated depreciation		(493,556)
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		10,980
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		(8,025)
Net pension liability		(25,439)
		(25,439)
Net Position of Governmental Activities	\$	963,880

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, 2021

	General Fund	Probation Fund	Equipment and Training Fund	Total
Revenues:				
City Court - traffic fines	\$ 103,273	\$	\$ 38,697	\$ 141,970
Commissions and fees	129,754	83,714		213,468
Grant-contract revenue	33,878			33,878
Donations	11,000			11,000
Interest income	1,953	53	54	2,060
Total revenues	<u>279,858</u>	<u>83,767</u>	<u>38,751</u>	<u>402,376</u>
Expenditures:				
Current - Public Safety				
Dues and publications	9,779			9,779
Law enforcement supplies	91,496			91,496
Office expense	44,039	124		44,163
Training	7,905		3,990	11,895
Travel, lodging, and meals	15,334			15,334
Public education	750			750
Insurance	19,961			19,961
Professional fees	8,427			8,427
Other operating	26,928			26,928
Appropriation to City for vehicles	72,295			72,295
Salaries and related expenses	29,813			29,813
Appropriation to City for personnel related	47,146			47,146
Capital outlay			29,400	29,400
Total expenditures	<u>373,873</u>	<u>124</u>	<u>33,390</u>	<u>407,387</u>
Net changes in fund balances	<u>(94,015)</u>	<u>83,643</u>	<u>5,361</u>	<u>(5,011)</u>
Other financing sources (uses):				
Transfers in	70,000			70,000
Transfers out		(70,000)		(70,000)
	<u>70,000</u>	<u>(70,000)</u>		
Net changes in fund balance and other sources	(24,015)	13,643	5,361	(5,011)
Fund balances at beginning of year	<u>802,233</u>	<u>51,974</u>	<u>51,836</u>	<u>906,043</u>
Fund balances at end of year	<u>\$ 778,218</u>	<u>\$ 65,617</u>	<u>\$ 57,197</u>	<u>\$ 901,032</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, 2021

Net Change in Fund Balances - Governmental Funds	\$	(5,011)
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 (\$30,362) exceeds capital outlays \$29,400 in the current period.		(962)
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.		6,642
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		1,098
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>(2,130)</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>(363)</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
Fiduciary Fund
December 31, 2021

	Custodial Fund
Assets	
Cash and cash equivalents	\$ 27,328
Total assets	27,328
Liabilities	
Accounts payable - due to others	27,328
Total liabilities	27,328
Net Position	
Total net position	\$

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 Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2021

	Custodial Fund
Additions:	
Investment income - interest	\$ 34
Funds collected for other entities	367,479
Total additions	367,513
Deductions:	
Payments of funds to other entities	367,513
Total deductions	367,513
Change in net position	
Net position - beginning	
Net position - ending	\$

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, 2021

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, 2021
(Continued)

Funds of the Marshal are classified into two categories: governmental funds and fiduciary (custodial) 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 Funds – Funds 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 special revenue funds are as follows:

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.

Equipment and Training Fund – The Equipment and Training Fund is used to account for the fees associated with Louisiana Statute R.S. 13:5807 as amended by Act No. 166 of the 2020 regular session. Funds shall be used to assist in the purchasing or updating of necessary equipment and officer training to carry out the efficient performance of all duties imposed by law on constables and marshals.

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. 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, 2021
(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, 2021
(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, grant-contract revenues, 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 acquisition 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, 2021
(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, 2021
(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, 2020, 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 Special Revenue Funds. 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, 2021, fiscal year was made available for public inspection at the Marshal's office on December 15, 2020. 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, 2021.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

(3) CASH, CASH EQUIVALENTS, AND INVESTMENTS

At December 31, 2021, the Marshal had cash, cash equivalents, and investments (book balances) totaling \$940,260 as follows:

A. Cash and cash equivalents:

Governmental Funds:	
General Fund	\$ 530,639
Probation Fund	65,617
Equipment & Training Fund	<u>54,155</u>
Total Governmental Funds	650,411
Fiduciary (Custodial) Funds:	
Garnishment Fund	<u>27,328</u>
Total – All Funds	<u>\$ 677,739</u>

B. Investments:

At December 31, 2021, the Marshal held certificates of deposit totaling \$262,521 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 Statue (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, 2021, the government's bank balance of \$950,556 was protected by \$406,384 of FDIC insurance and \$140,319 of NCUSIF insurance, with the remaining \$403,853 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, 2021:

Service Fees	\$ <u>3,243</u>
--------------	-----------------

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, 2021
(Continued)

(5) DUE FROM BOSSIER CITY

The General Fund "Due from Bossier City" in the amount of \$30,501 at December 31, 2021, represents fines collected in 2021 by the City of Bossier City not remitted to the Marshal until February, 2022.

(6) DUE FROM CITY COURT

The General Fund and Equipment and Training Fund "Due from City Court" in the amount of \$9,930 at December 31, 2021, represents fines collected in December, 2021 by the City Court not remitted to the Marshal until January 2022.

(7) CAPITAL ASSETS

Changes in capital assets and depreciation for the year ended December 31, 2021, are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 664,171	\$ 29,400	\$ (144,634)	\$ 548,937
Less accumulated depreciation:				
Furniture and equipment	<u>(607,828)</u>	<u>(30,362)</u>	<u>144,634</u>	<u>(493,556)</u>
Net capital assets	<u>\$ 56,343</u>	<u>\$ (962)</u>	<u>\$</u>	<u>\$ 55,381</u>

Depreciation expense for the year ended December 31, 2021 was \$30,362 and was recorded in the public safety function.

(8) DUE TO BOSSIER CITY

The General Fund "Due to Bossier City", in the amount of \$47,146 at December 31, 2021, represents an amount due to the City of Bossier City for personnel and personnel related costs for 2021 which were not paid until 2022.

(9) 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.

(10) SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 13, 2022, the date the financial statements were available to be issued.

During January, 2022 the Marshal purchased law enforcement equipment totaling approximately \$46,237.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

(11) UNCERTAINTY

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(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 (System) was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide 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.

Act 569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. 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.

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.

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.

Any person eligible for membership whose first employment making him eligible for membership in the system occurred on or after January 1, 2013 shall become a member of MERS Plan B Tier 2 of the System as a condition of employment.

Retirement Benefits:

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-1785. The following brief description of the plan and its benefits is provided for general information purposed only. Participants should refer to the appropriate statutes for more complete information.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) of creditable service.
2. Age 60 with a minimum of ten (10) years or more of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by the members year of credible service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement if the member meets one of the following criteria:

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

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 final compensation multiplied by the members years of credible service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limed 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 normal 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 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.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

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 (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases:

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows 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. For the year ended June 30, 2021, member contributions are at 5% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contribution for all employers are actuarially determined each year. For the plan years ending June 30, 2021 and 2020, the actual employer contribution rates were 15.5% and 14%, respectively, for Plan B. The Marshal's contributions to the System for the years ended December 31, 2021 and 2020 were \$3,720 and \$3,298, respectively. Included in employer contributions for the year ended December 31, 2021, were contributions for the month of December 2021 in the amount of \$310 which were paid in January 2022.

Non-Employer Contributions

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contributions totaling \$1,098 are recognized as revenue during the year ended December 31, 2021, and excluded from pension expense.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

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

At December 31, 2021, the Marshal reported a liability of \$25,439 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021 as compared to the total of all employers' contributions received by the System during the fiscal year ended June 30, 2021. The Marshal's proportion as measured at June 30, 2021, was .043913%, which is a increase of .015267% from the proportion as measured at June 30, 2020.

For the year ended December 31, 2021, the Marshal recognized pension expense of \$7,512, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, (\$1,662).

At December 31, 2021, the Marshal reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,029	\$ 1,049
Changes of assumptions	1,029	
Net difference between projected and actual earnings on pension plan investments		6,875
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,091	101
Employer contributions subsequent to the measurement Date	1,860	
Total	\$ 10,980	\$ 8,025

The Marshal reported a total of \$1,860 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended December 31, 2022.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

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

Year	Amount
2022	\$ 2,734
2023	2,560
2024	(1,783)
2025	(2,416)
Total	\$ 1,095

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. The actuarial assumptions used in the June 30, 2021 valuations were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Information on the actuarial valuation and assumptions is as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	3 years
Actuarial Assumptions:	
Investment Rate of Return	6.85%, net of pension plan investment expense, including Inflation
Inflation Rate	2.5%
Salary increases, including Inflation and merit increase:	
1 to 4 years of service	7.4% for Plan B
More than 4 years of service	4.9% for Plan B
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disables lives mortality	PubNS-2010(B) Disability Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(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.

The target allocation and 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, 2021 are summarized in the following table:

	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	.39%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u>6.95%</u>

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2021. The projection of cash flowed 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, which are calculated in accordance with relevant statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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 6.85%, 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 (5.85%), or one percentage point higher (7.85%) than the current discount rate (assuming all other assumptions remain unchanged).

Changes in net pension liability from changes in the discount rate as of June 30, 2021 for Plan B are as follows:

	<u>Changes in Discount Rate</u>		
	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Net Pension Liability	\$ 39,029	\$ 25,439	\$ 13,945

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

Changes in Net Pension Liability

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on the pension plan investments and actual experience with regard to those earnings is required to be include in the pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

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 the employers' proportionate shares are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of June 30, 2021.

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. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

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, 2021. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2021
(Continued)

(14) LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Net pension liability	\$ 25,960	\$ -	\$ 521	\$ 25,439
Governmental Activities long-term liabilities	<u>\$ 25,960</u>	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 25,439</u>

Bossier City Marshal
A Component of the City of Bossier City
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended December 31, 2021

Municipal Employee's Retirement System

<u>Year Ended</u>	<u>Proportion of the the Net Pension Liability (Asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered employee payroll</u>	<u>Proportionate share of the net pension liability as a percentage of covered employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	0.043913%	\$ 25,439	\$ 23,250	109.42%	79.14%
2020	0.028464%	25,960	22,200	116.94%	66.26%
2019	0.029040%	25,405	22,200	114.44%	64.68%
2018	0.029960%	25,342	22,200	114.15%	65.60%
2017	0.029910%	25,878	22,200	116.57%	63.49%

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
For the Year Ended December 31, 2021

Municipal Employee's Retirement System

<u>Year Ended June 30</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2021	\$ 3,720	\$ 3,720	\$	\$ 24,000	15.50%
2020	3,298	3,298		22,350	14.76%
2019	3,108	3,108		22,200	14.00%
2018	3,025	3,025		22,200	13.63%
2017	2,692	2,692		22,200	12.13%

*Amounts presented were determined as of the end of the fiscal year (December 31).

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 Balance
Budget and Actual (Cash Basis) - General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
Revenues:				
City Court - traffic fines	\$ 75,000	\$ 113,000	\$ 106,399	\$ (6,601)
Commissions and fees	133,550	128,000	127,054	(946)
Grant - contract revenue	60,000	60,000	45,171	(14,829)
Donations		11,000	11,000	
Interest income	2,700	2,200	1,953	(247)
Total revenues	271,250	314,200	291,577	(22,623)
Expenditures:				
Current - Public Safety				
Dues and publications	12,000	12,000	9,779	2,221
Law enforcement supplies	61,200	66,000	91,496	(25,496)
Office expense	24,550	37,000	36,689	311
Training	2,500	10,000	7,905	2,095
Travel, lodging, and meals	11,000	21,000	15,334	5,666
Public education	1,000	1,000	1,326	(326)
Insurance	22,000	22,000	19,961	2,039
Professional fees	7,000	10,000	8,427	1,573
Other operating	731,169	931,318	26,185	905,133
Salaries and related expenses	5,500	6,500	29,814	(23,314)
Appropriation to City for personnel related	95,000	98,000	55,129	42,871
Appropriation to City for vehicles			72,295	(72,295)
Total expenditures	972,919	1,214,818	374,340	840,478
Excess (deficiency) of revenues over (under) expenditures	(701,669)	(900,618)	(82,763)	817,855
Other Financing Sources (Uses)				
Transfers in	20,000	100,000	70,000	(30,000)
Total other financing sources (uses)	20,000	100,000	70,000	(30,000)
Net change in fund balance	(681,669)	(800,618)	(12,763)	787,855
Fund balance at beginning of year	(681,669)	800,618	805,923	5,305
Fund balance at end of year	\$	\$	\$ 793,160	\$ 793,160

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, 2021

	Budgeted Amounts		Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Amended		
Revenues:				
Commissions and fees	\$ 50,000	\$ 85,000	\$ 83,714	\$ (1,286)
Interest income	40	40	53	13
Total revenues	<u>50,040</u>	<u>85,040</u>	<u>83,767</u>	<u>(1,273)</u>
Expenditures:				
Current - Public Safety				
Other operating	<u>62,575</u>	<u>37,014</u>	<u>124</u>	<u>36,890</u>
Total expenditures	<u>62,575</u>	<u>37,014</u>	<u>124</u>	<u>36,890</u>
Excess of revenues over expenditures	(12,535)	48,026	83,643	35,617
Other Financing Sources (Uses):				
Transfer to other funds	<u>(20,000)</u>	<u>(100,000)</u>	<u>(70,000)</u>	<u>30,000</u>
Net Change in Fund Balance	(32,535)	(51,974)	13,643	65,617
Fund balance at beginning of year	<u>32,535</u>	<u>51,974</u>	<u>51,974</u>	
Fund balance at end of year	<u>\$</u>	<u>\$</u>	<u>\$ 65,617</u>	<u>\$ 65,617</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Cash Basis) - Equipment and Training Fund
For the Year Ended December 31, 2021

	Original and Final	Amended	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Commissions and fees	\$ 25,000	\$ 35,000	\$ 39,075	\$ 4,075
Interest income	20	50	54	4
Total revenues	<u>25,020</u>	<u>35,050</u>	<u>39,129</u>	<u>4,079</u>
Expenditures:				
Current - Public Safety				
Equipment	36,490	89,658	33,390	56,268
Total expenditures	<u>36,490</u>	<u>89,658</u>	<u>33,390</u>	<u>56,268</u>
Excess of revenues over expenditures	(11,470)	(54,608)	5,739	60,347
Fund balance at beginning of year	<u>11,470</u>	<u>54,608</u>	<u>48,416</u>	<u>(6,192)</u>
Fund balance at end of year	<u>\$</u>	<u>\$</u>	<u>\$ 54,155</u>	<u>\$ 54,155</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component of the City of Bossier City
Note to Required Supplementary Information
December 31, 2021

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, 2021, is presented below:

	General Fund	Probation Fund	Equipment Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (12,763)	\$ 13,643	\$ 5,739
Adjustments:			
Revenue accruals - net	(11,718)		(378)
Expenditure accruals - net	466		
	\$ (24,015)	\$ 13,643	\$ 5,361

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, 2021

Agency Head: Jim Whitman, Bossier City Marshal

SECTION I

Paid by the Bossier City Marshal:

PURPOSE		AMOUNT
Salary	\$	24,000
Benefits-retirement		3,720
Per diem		61
Travel		269
Conference travel		2,145
Reimbursements		345

SECTION II

Paid by the City of Bossier City:

PURPOSE		AMOUNT
Salary	\$	83,800
Benefits - insurance		10,755
Benefits - retirement		13,919

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Other Supplementary Information
Justice System Funding Schedule
Receiving Schedule - General Fund
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2021

Cash Basis Presentation	<u>January 2021 - June 2021</u>	<u>July 2021 - December 2021</u>
Receipts From:		
City Court of Bossier City - Civil Fees	\$ 12,634	\$ 13,416
Bossier Parish Police Jury - Civil Fees	1,590	1,850
Shreveport City Court - Civil Fees	3,310	2,500
City of Bastrop - Civil Fees	15	15
Caddo Parish Commission - Civil Fees	50	40
City of Bossier City - Bond Fees	27,007	
City Court of Bossier City - Criminal Court Costs/Fees	60,171	46,228
Interest earnings on collections	1,090	863
Subtotal Receipts	105,867	64,912
Ending Balance of Amounts Assessed but Not Received	-	-

Bossier City Marshal
 A Component Unit of the City of Bossier City, Louisiana
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - Equipment and Training Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2021

Cash Basis Presentation	<u>January 2021 - June 2021</u>	<u>July 2021 - December 2021</u>
Receipts From:		
City Court of Bossier City - Civil Fees	\$ 18,951	\$ 20,124
Interest earnings on collections	29	24
Subtotal Receipts	<u>18,980</u>	<u>20,148</u>
Ending Balance of Amounts Assessed but Not Received	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto; text-align: center;">-</div>	<div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto; text-align: center;">-</div>

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Other Supplementary Information
Justice System Funding Schedule
Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2021

Cash Basis Presentation	January 2021 - June 2021	July 2021 - December
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 87,991	\$ 82,647
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	199,862	167,617
Probation/Parole/Supervision Fees	47,115	44,318
Interest Earnings on Collected Balances	45	42
Subtotal Collections	247,022	211,977
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	10,961	10,794
Amounts "Self-Disbursed" to Collecting Agency		
Probation fees	50,000	20,000
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	16,217	7,538
Restitution Payments to Individuals	5,676	2,043
Payments to 3rd Party Collection/Processing Agencies	169,512	161,181
Subtotal Disbursements/Retainage	252,366	201,556
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 82,647	\$ 93,068
Ending Balance of "Partial Payments" Collected but not Disbursed	N/A	N/A
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	N/A	N/A
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	N/A	N/A

COOK & MOREHART

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

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, 2021, 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 May 13, 2022.

Report on 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) as a basis for designing 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit findings as item 2021-001.

Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Bossier City Marshal's response to the finding identified in our audit and described in the accompanying schedule of audit findings. The Bossier City Marshal's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
May 13, 2022

Bossier City Marshal
Bossier City, Louisiana
Schedule of Audit Findings
December 31, 2021

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, 2020.

Current Year Audit Findings

There was one finding for the current year audit for the year ended December 31, 2021.

2021-001 – Budget Finding

Finding: Total revenue and other financing sources failed to meet the budgeted amounts by more than 5% for the general fund.

Criteria: The Local Government Budget Act sets forth the requirements to amend the budget when revenue and other financing sources fail to meet budgeted amounts by more than 5%.

Cause: The general fund's budgeted revenue and other financing sources were amended to amounts that were not received.

Effect: The Marshal's office was not in compliance with the Local Government Budget Act.

Recommendation: We recommend the Marshal's office analyze the annual revenues and other financing sources and amend the budget in accordance with the Local Government Budget Act.

Views of Responsible Officials and Planned Corrective Actions:

The Marshal will closely monitor the revenues and other financing sources and amend the budget in accordance with the Local Government Budget Act.

COOK & MOREHART

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Independent Accountants' Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Bossier City Marshal's management is responsible for those C/C areas identified in the SAUPs.

The Bossier City Marshal (the Marshal) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Marshal provided written policies and procedures addressing all of the above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The Marshal is an independently elected official and is not required to have board or finance committee meetings.

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 each selected account, and observe that:

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

- 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.

Exception: There was no documentation that management had researched reconciling items outstanding for more than 12 months. There were 19 items totaling \$4,463 for the accounts selected for testing.

Management's Response: Management will document the research for outstanding items for more than 12 months.

Collections (excluding electronic funds transfers)

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:

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

Employees responsible for cash collections do not share cash drawers/registers.

- 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.

Employees responsible for collecting cash are not responsible for preparing/making bank deposits.

- 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 ledger.

- 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 general ledger or subsidiary ledgers are not responsible for collecting cash.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

All employees are covered by a blanket 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). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

For items selected receipts are sequentially numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- 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 and the cash is stored securely in a locked safe drawer).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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.

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: The Marshal will consider 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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Management provided the requested information and there were no exceptions noted.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The Marshal does not utilize any credit cards, fuel cards, or p-cards of any type.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically

approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].

The Marshal does not utilize any credit cards, fuel cards, or p-cards of any type.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

The Marshal does not utilize any credit cards, fuel cards, or p-cards of any type.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Marshal does not utilize any credit cards, fuel cards, or p-cards of any type.

Travel and Expense Reimbursement (excluding card transactions)

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

The rates established in the Marshal's policy do not exceed the GSA per diem or mileage rates.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

For those costs tested that were reimbursed using actual costs, the reimbursement was supported by original receipts that identified what was purchased.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

For those items tested, each reimbursement was supported by documentation of the business/public purpose.

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For those items tested, each disbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Management represented that there were no agreements/contracts for professional services, material and supplies, leases, and construction activity that were initiated or renewed during the year ended December 31, 2021.

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).

b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

The only disbursement for payroll by the Marshal's Office was to the Marshal for a portion of his wages.

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

The only disbursement for payroll by the Marshal's Office was to the Marshal for a portion of his wages.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments 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 third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments and workers' compensation premiums) have been paid, and associated forms have been filed, by required deadlines.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

The Marshal maintained documentation to demonstrate the required ethics training was completed.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

There were no changes to the Marshal's ethics policy during the year ended December 31, 2021.

Debt Service

- 21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
- 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Marshal's Office has no outstanding debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Marshal's Office is not aware of any misappropriation of public funds or assets during the year ended December 31, 2021.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds

We observed the Marshal has posted on its premises and the Bossier City's website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Exception: The Marshal completed the sexual harassment training on March 4, 2022.

Management's Response: The Marshal will complete the sexual harassment training as required on an annual basis.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The Marshal's sexual harassment policy was posted on the Marshal's premises.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

The Marshal's Office pays only a portion of the Marshal's wage. His remaining wages and all other employees are considered employees of the City of Bossier City. The Marshal's Office does not prepare a sexual harassment report.

We were engaged by the Bossier City Marshal to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on 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.

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

This report is intended solely to describe the scope of testing performed on 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 (R.S) 24:513, this report is distributed by the LLA as a public document.



Cook & Morehart
Certified Public Accountants
May 13, 2022