

CHARLIE CALDWELL, JR, CITY MARSHAL
CITY OF SHREVEPORT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 25, 2008

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

Release Date

7/22/09

CHARLIE CALDWELL, JR, CITY MARSHAL

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INDEPENDENT AUDITOR'S REPORT

Charlie Caldwell, Jr, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

I have audited the accompanying general purpose financial statements of Charlie Caldwell, Jr, Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, as of December 25, 2008, and for the year then ended. These general purpose financial statements are the responsibility of the City Marshal management. My responsibility is to express an opinion on these financial statements based on my audit.

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

As discussed in Note 1, the financial statements present only the governmental and fiduciary funds of the City Marshal and are not intended to present fairly the financial position of the City of Shreveport, Louisiana, and the results of its operations and cash flows of its operations and cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Marshal as of December 25, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information, as listed in the table of contents, is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the City Marshal's management. It has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 26, 2009 on my consideration of the City Marshal, Shreveport, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Information is presented for the purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Richard C
McCallister

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Richard C. McCallister
March 26, 2009

REQUIRED SUPPLEMENTAL INFORMATION

CHARLIE CALDWELL, JR
SHREVEPORT CITY MARSHAL

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of Management's discussion and analysis (MD&A) is to provide an overview of the financial activities of the Marshal's office based on currently known facts, decisions or conditions.

The basic financial statements include government-wide and government fund statements. The government-wide Statement of Net Assets and Statement of Activities present information for all the activities of the Marshal's office from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office the difference between these statements and Governmental Funds statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the Governmental Funds statements. The Shreveport City Marshal is an independently elected official. However, his office is fiscally dependent on the City of Shreveport for occupancy costs, salaries and related benefits. In as such, this office was determined to be a component unit of the City of Shreveport.

The Marshal's office at December 25, 2008 had \$1,510,296 in cash on hand and net capital assets of \$427,187 with total assets being \$1,931,457, an increase of \$4,544 over December 25, 2007.

	<u>2008</u>	<u>2007</u>
Current assets	1,510,296	1,585,433
Capital assets	427,187	348,527
Total assets	<u>1,937,483</u>	<u>1,933,960</u>
Current liabilities	6,026	7,057
Total liabilities	<u>6,026</u>	<u>7,057</u>
Net Assets		
Invested in capital assets	427,187	348,527
Unrestricted	1,578,386	1,578,376
Total net assets	<u>1,931,457</u>	<u>1,926,903</u>

The charge for services from fines and bond forfeitures were \$468,789, a decrease of \$31,401 from the prior year. These charges are directly related to the number of citations issued by the Shreveport Police Department. Total expenses excluding capital outlays and depreciation were \$1,702,187, an increase of \$63,747 as result of costs associated with the change of elected Marshals and the office using more of its funds to pay for operating costs previously covered by the City of Shreveport. Investment earnings decreased by \$27,612 to \$32,484 as result of lower investment returns. Net assets increased for the year by \$4,544.

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Revenues		
Program Revenues		
Charges for services	468,789	500,190
Support from City of Shreveport	1,318,279	1,377,508
General Revenues		
Interest	32,484	60,096
Total Revenues	<u>1,819,552</u>	<u>1,937,794</u>
Expenses		
Personal services	1,386,228	1,378,957
Other operating	507,440	346,698
Total Expenses	<u>1,893,668</u>	<u>1,725,655</u>
Excess(Deficiency) of Revenues		
Over Expenses	<u>(74,116)</u>	<u>212,139</u>

Three vehicles were added during the year for use in the field for \$42,100. The office also added a security system for the Courts for \$89,750 and other equipment. Capital outlays budgeted for next fiscal year includes \$94,000 for additional vehicles and \$85,000 of other equipment.

Over the course of the year, the general fund budget was not amended. Revenues did not meet budgeted amounts primarily due to a decrease in investment earnings. Expenses were \$36,189 over primarily as a result of additional capital outlays. For the upcoming fiscal year, the budget anticipates operating expenses of \$623,500 and revenues of \$470,000. Overall the office remains fiscally strong.

This financial report is designed to provide citizens and taxpayers with a general overview of the finances for those funds maintained by the City Marshal and to show accountability for those funds. If you have any questions about this report, contact the Chief Deputy of the Shreveport City Marshal in the Shreveport City Court building.

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COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

CHARLIE CALDWELL, JR, CITY MARSHAL
STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 25, 2008

	<u>General Fund</u>	<u>Adjustments Note (3)</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash and investments	1,510,296		1,510,296
Capital assets, net of accumulated depreciation		427,187	427,187
Total assets	<u>1,510,296</u>	<u>427,187</u>	<u>1,937,483</u>
<u>LIABILITIES</u>			
Accounts payable	6,026		6,026
Total liabilities	<u>6,026</u>		<u>6,026</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund balances:			
Unreserved	1,504,270	(1,504,270)	
Total fund balances	<u>1,504,270</u>	<u>(1,504,270)</u>	
Total liabilities and fund balance	<u>1,510,296</u>		
Net assets:			
Invested in capital assets, net of related debt		427,187	427,187
Unrestricted		1,504,270	1,504,270
Total net assets		<u>1,931,457</u>	<u>1,931,457</u>

The accompanying notes are an integral part of these financial statements.

CHARLIE CALWELL, JR, CITY MARSHAL
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
DECEMBER 25, 2008

	<u>General Fund</u>	<u>Adjustments Note (3)</u>	<u>Statement of Activities</u>
Revenues:			
Program revenues:			
Marshal charge for services from fines and bond forfeitures	468,789		468,789
General Revenues:			
Investment earnings	32,484		32,484
Payment from City of Shreveport	<u>1,318,279</u>		<u>1,318,279</u>
Total revenues	<u>1,819,552</u>	<u>-</u>	<u>1,819,552</u>
Expenditures/expenses:			
Court services:			
Communication	23,919		23,919
Depreciation		112,821	112,821
Office expense	110,400		110,400
Personal services	1,386,228		1,386,228
Professional fees	28,005		28,005
Repairs and maintenance	110,481		110,481
Training	10,499		10,499
Uniforms	32,655		32,655
Capital outlay	<u>191,481</u>	<u>(191,481)</u>	<u>-</u>
Total expenditures/expenses	<u>1,893,668</u>	<u>(78,660)</u>	<u>1,815,008</u>
Excess (deficiency) of revenues over expenditures	(74,116)	74,116	-
Change in net assets	-	4,544	4,544
Fund balances/net assets:			
Beginning of the year	<u>1,578,386</u>	<u>348,527</u>	<u>1,926,913</u>
End of the year	<u>1,504,270</u>	<u>427,187</u>	<u>1,931,457</u>

The accompanying notes are an integral part of these financial statements.

CHARLIE CALDWELL, JR, CITY MARSHAL
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 25, 2008

	<u>Agency Funds</u>		
	<u>Cash Bonds</u>	<u>Garnishments</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	<u>408,862</u>	<u>6,280</u>	<u>415,142</u>
Total assets	<u>408,862</u>	<u>6,280</u>	<u>415,142</u>
<u>LIABILITIES</u>			
Due to defendants - surety	408,862		408,862
Due to plaintiffs	<u> </u>	<u>6,280</u>	<u>6,280</u>
Total liabilities	<u>408,862</u>	<u>6,280</u>	<u>415,142</u>

The accompanying notes are an integral part of these financial statements.

CHARLIE CALDWELL, JR, CITY MARSHAL
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 25, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the City Marshal's office conform to generally accepted accounting principles (GAAP) as applicable to governments. Encumbrance accounting is not used by the City Marshal. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for the establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:514 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the AICPA Industry Audit Guide, *Audits of State and Local Governmental Units*.

Financial Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the City Marshal's office includes all funds that are within the oversight responsibility of the City Marshal's office. The City Marshal's office is a component unit of the City of Shreveport, Louisiana. The City Marshal is the executive officer of the court and, in execution of his duties; he shall have the power of a Sheriff. This report includes all funds and account groups which are controlled by or dependent on the City Marshal's office. Control by or dependence on the City Marshal's Office was determined on the basis of authority of general oversight responsibility. The scope of this audit includes only these funds and does not include operational costs paid directly by the City of Shreveport on behalf of the City Marshal.

Government -Wide Accounting

In accordance with Government Accounting Standards No. 34, the City Marshal has presented a Statement of Net Assets and Statement of Activities. These statements are included in the primary government's financial statements, The City of Shreveport. The City Marshal has no component units. Fiduciary funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to Statement of Net Assets and Statement of Activities are as follows:

Application of FASB Statements and Interpretations

Reporting on governmental-type activities are based on FASB Statements and interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. The Marshal's office does not own any infrastructure assets.

Fund Accounting

The City Marshal's Office uses funds to report on its financial position and the results of its operations. 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. Funds of the City Marshal's office are all classified as Governmental Funds. A description of classification and all existing funds follow:

Governmental Funds

Governmental funds account for all or most of the City Marshal office's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations.

General Fund

A Special Marshal's Fund is the Fund provided to City Marshal's under Louisiana Statutes Annotated - Revised Statue 13:1899 the name of and under the control of the Marshal to be used to defray the operational expenses of the Marshal's Office. The fund is to be used to account for all financial resources provided it as established by the above authority.

Fiduciary Fund

Agency funds are used to account for assets held by the Marshal's office in a trustee capacity or an as agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The Statement of Net Assets and Statement of Activities are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in the fund.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With the measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expense, and such assets are not depreciated.

Budgets and Budgetary Accounting

The City Marshal follows these procedures in establishing the budgetary data reflected in the financial statements:

Budgetary data for the general fund was prepared based on prior year actual operating revenues and expenditures. The general fund is maintained on the modified accrual basis and therefore no reconciliation between legally enacted basis and GAAP basis is required.

The Marshal's office performs only a custodial function in the case of agency funds and therefore a budget for these funds is not appropriate.

In the event that the City Marshal was to have encumbrances or commitments relating to executory contracts for goods or services, they would be accounted for and reported consistently.

Cash

The Marshal's office classifies demand and time deposits as cash. Under state law the Marshal may deposit funds in demand deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The collected bank balances of the deposits under control of the Marshal's office with financial institutions was \$2,114,038 and is collateralized as follows:

Amount insured by the FDIC	562,991
Amount collateralized with securities, held by pledging financial institution's trust department at fair market value (<i>Risk Category 3</i>)	<u>2,300,677</u>
Total collateral	<u>2,863,668</u>

Budget Practice

The budget was authorized by the Marshal and made available for public inspection at the Marshal's office on December 14, 2007. The budget was prepared in accordance with generally accepted accounting principles as applicable to governments. The budget is legally adopted and amended, as necessary, by the Marshal. The budget for this fiscal year should have been amended and was not. Differences in revenues and expenditures exceeded 5% of budgeted amounts which is violation of state law. The Marshal does not budget amounts paid on its behalf as revenue or expense.

Formal budget integration is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets

The Marshal's capital assets are recorded at historical cost. Assets whose value is less than \$500 are charged to expense and not capitalized. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	30 years	Vehicles	3 years
Communication	5-15 years	Computers	5 years
Other Equipment	15 years	Weapons	5 years

Compensated Absences

The City Marshal's office payroll is funded directly by the City of Shreveport. All policies and accruals relating to vacation and sick leave are within their control and are not reported herein.

Net Assets/Fund Balances

In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

Invested in capital assets, net of related debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted net assets

Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted net assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific use.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally separated to a specific future use.

2. CAPITAL ASSETS

Capital asset activity for the year ended December 25, 2008, was as follows:

Cost	Beginning Balance	Additions	Retirements	Ending Balance
Buildings	26,165	-	-	26,165
Vehicles	612,376	42,100	54,799	599,677
Communication	130,788	9,576	-	140,364
Computers	83,949	2,294	6,454	79,789
Other Equipment	163,102	137,511	16,284	284,329
Weapons	16,262	-	1,019	15,243
Totals	1,032,642	191,481	78,556	1,145,567
Accumulated Depreciation				
Buildings	11,302	872	-	12,174
Vehicles	423,888	62,398	54,799	431,487
Communication	96,154	13,127	-	109,281
Computers	50,535	10,169	6,454	54,250
Other Equipment	87,462	25,814	16,284	96,992
Weapons	14,774	441	1,019	14,196
Total	684,115	112,821	78,556	718,380
Net Capital Assets	348,527	78,660	-	427,187

3. RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS AND THAT OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

Total fund balance - total governmental funds	1,504,270
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	427,187
Total net assets of governmental activities	1,931,457

Net change in fund balance - total governmental funds (74,116)

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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation charged in the current period.

78,660

Change in net assets of governmental activities

4,544

4. EXPENDITURES OF THE CITY MARSHAL PAID BY THE CITY OF SHREVEPORT.

The City of Shreveport provides office space, insurance, and substantially all salary and related benefit costs. \$1,318,279 in personnel costs and other costs are included as revenue and expenditure/expense in the financial statements.

5. RISKS OF LOSS

The Marshal's office risks of loss include loss of property and liabilities created from its operations. The Marshal participates in the City of Shreveport risk pool for liability and property claims arising from accidents. The Marshal maintains the risk associated with loss of property and replaces any such property from unrestricted net assets. The Marshal also retains the risk of the actions taken by him or his deputies. Losses are paid from the Marshal's unrestricted net assets.

REQUIRED SUPPLEMENTAL INFORMATION

CHARLIE CALDWELL, JR., CITY MARSHAL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 25, 2008

	<u>Original</u>	<u>Budgetary Basis Actual</u>	<u>Variance With Final Budget Pos./ (Neg.)</u>
Revenues:			
Marshal charge for services from fines and bond forfeitures	469,000	468,789	(211)
Investment earnings	<u>59,000</u>	<u>32,484</u>	<u>(26,516)</u>
Total revenues	<u>528,000</u>	<u>501,273</u>	<u>(26,727)</u>
Expenditures/expenses:			
Court services:			
Communication	20,000	23,919	(3,919)
Dues	1,700	-	1,700
Office expense	87,000	110,400	(23,400)
Personal services	150,000	67,949	82,051
Professional fees	42,000	28,005	13,995
Repairs and maintenance	105,000	110,481	(5,481)
Training	12,000	10,499	1,501
Uniforms	10,500	32,655	(22,155)
Liability claims paid	2,500	-	2,500
Capital outlay	<u>108,500</u>	<u>191,481</u>	<u>(82,981)</u>
Total expenditures	<u>539,200</u>	<u>575,389</u>	<u>(36,189)</u>
Excess (deficiency) of revenues over expenditures	(11,200)	(74,116)	(62,916)
Beginning fund balance	<u>1,547,300</u>	<u>1,578,386</u>	<u>31,086</u>
Ending fund balance	<u>1,536,100</u>	<u>1,504,270</u>	<u>(31,830)</u>

CHARLIE CALDWELL, JR, CITY MARSHAL
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE YEAR ENDED DECEMBER 25, 2008

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

Source/Inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	501,273
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Differences-budget to GAAP	
City of Shreveport on-behalf payments	1,318,279

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>1,819,552</u>
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Uses/Outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	575,389
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Differences-budget to GAAP	
City of Shreveport on-behalf payments	1,318,279

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance-governmental funds	<u>1,893,668</u>
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SUPPLEMENTAL INFORMATION

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Charlie Caldwell, Jr, City Marshal
City of Shreveport City Court
Shreveport, Louisiana

I have audited the financial statements of Charlie Caldwell, Jr., Marshal of the City of Shreveport, Louisiana ("City Marshal"), a component unit of the City of Shreveport, Louisiana, as of and for the year ended December 25, 2008 and have issued my report thereon dated March 26, 2009. I have conducted my audit in accordance with generally accepted auditing standards in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City Marshal's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and it is shown as find 2008-1 in the accompanying schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City Marshal's internal control over financial reporting as the basis for designing the auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. I noted no matters involving the internal control structure over financial reporting and its operation that I consider to be a material weakness.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Richard C
McCallister

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Richard C. McCallister
Shreveport, Louisiana
March 26, 2009

CHARLIE CALDWELL, JR., CITY MARSHAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 25, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Charlie Caldwell, Jr., City Marshal.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. One instance of noncompliance material to the financial statements of Charlie Caldwell, Jr., City Marshal was disclosed during the audit.

B. FINDINGS – COMPLIANCE

2008-1 Budget Amendments

Condition: The Marshal's actual revenues and expenditures each had negative variances as compared to budgeted amounts in excess of 5%.

Criteria: State law requires that variances not exceed 5% or more. The budget should be amended for anticipated excesses if funds are available.

Effect: The office violated state law. While the Marshal's office has sufficient fund balances to cover the excesses, proper amendments must be made to check for funds availability.

Recommendation: The office should adopt formal budget integration with its accounting system as a management control device.

CHARLIE CALDWELL, JR., CITY MARSHAL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 25, 2008

Internal control and compliance material to the financial statements

None

Management letter

None

**CHARLIE CALDWELL, JR., CITY MARSHAL
1244 TEXAS AVENUE
SHREVEPORT, LOUISIANA 71101**

MARCH 26, 2009

CORRECTIVE ACTION PLAN

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana

Charlie Caldwell, Jr., City Marshal respectfully submits the following corrective action plan for the year ended December 25, 2008.

Name and address of accounting firm:
Richard C. McCallister, CPA
P.O. Box 44046
Shreveport, Louisiana 71134

Audit period:
December 25, 2008

The findings from the December 25, 2008 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

FINDINGS – COMPLIANCE

2008-1 Budget Amendments

Condition: The Marshal's actual revenues and expenditures each had negative variances as compared to budgeted amounts in excess of 5%.

Action Taken: The Marshal's Office will adopt formal budget integration with its accounting system as a management control device and amend the budget as necessary.

Very truly yours,

CHARLIE CALDWELL, JR., CITY MARSHAL

Charlie Caldwell, Jr.

Digitally signed by Charlie Caldwell, Jr.
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Date: 2009.05.20 09:49:13 -05:00