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Independent Accountants' Report On Applying Agreed Upon Procedures

David A. Montgomery, Jr.
City Council of the City of Bossier City
P.O. Box 5337
Bossier City, Louisiana 71171-5337

We have performed the procedures enumerated below, which were agreed to by the City Council of the City of Bossier City, solely to assist you in evaluating payroll records for the fire department employees of the City from January 1, 2008 to February 21, 2012. This agreed-upon procedures engagement was performed in accordance with Statements on Standards for Attestation Engagements, issued by the American Institute of Certified Public Accountants. The sufficiency of these agreed-upon procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We will obtain the appropriate payroll records for the fire department employees of the City from January 1, 2008 to February 21, 2012. Those records provided by the accounting department will segregate the fire department employees' wages into different levels as described and/or applicable to the schedule listed in the Louisiana Revised Statute 33:1992.

We obtained the payroll records for all fire department employees of the City from January 1, 2008 to February 21, 2012. Those records consisted of check history listings, and listing of employees into different levels as applicable to the schedule in Louisiana Revised Statute 33:1992.

We also obtained schedules (*Bossier City Fire Department Pay Difference*) of the fire department employees pay difference amounts recalculated in accordance with the schedule of salaries as specified by Louisiana Revised Statute 33:1992. The schedule was prepared by administrative personnel of the fire department. This schedule represents the amounts due to the fire department employees based upon recalculating pay in accordance with Louisiana Revised Statute 33:1992 due to a \$400 raise to all fire department employees effective January 1, 2008. The schedule covered wages from January 1, 2008 to February 21, 2012 and was calculated on base pay amounts.

2. We will agree—reconcile the wages, from the information provided by the accounting department, of the fire department employees, to the applicable retirement reports filed for the period of January 1, 2008 to February 21, 2012.

We compared total fire department wages as provided by the City to wages as reported to the Louisiana State Firefighters Retirement System for the following periods:

01/01/08 to 06/30/08
07/01/08 to 06/30/09
07/01/09 to 06/30/10
07/01/10 to 06/30/11

Amounts for wages as confirmed with the State Firefighters Retirement System for the above periods were in substantial agreement with the total fire department wages as provided by the City.

3. We will calculate the appropriate wages of the fire department employees based on the schedule listed in the Louisiana Revised 33:1992 for the period January 1, 2008 to February 21, 2012.

We obtained the Bossier City Fire Department Pay Difference schedules, as described in #1, for the period January 1, 2008 to February 21, 2012.

We traced approximately 185 different amounts to the payroll history check listings provided by the City. This represented approximately 25% of the employees listed. No differences were noted.

We recalculated the pay difference amounts for all employees as listed on the schedule. Insignificant differences were noted and the schedule was recalculated by the City.

4. We will compare actual wages of each fire department employee to the appropriate amount as calculated in accordance with procedure #3 and provide the difference.

We obtained the Bossier City Fire Department Pay Difference schedules and compared the differences between the actual wages paid (based on base pay schedule) with the recalculated appropriate amount in accordance with Louisiana Revised Statute 33:1992. No differences were noted.

Wages due to the fire department employees by year are as follows:

<u>Period</u>	<u>Amount</u>
01/01/08 to 12/31/08	\$ 148,587
01/01/09 to 12/31/09	154,851
01/01/10 to 12/31/10	147,212
01/01/11 to 12/31/11	141,737
01/01/12 to 02/21/12	21,436
	<u>\$ 613,823</u>

5. We will take the difference and calculate the appropriate taxes, benefits, and retirement associated with the wages by the years of 2008, 2009, 2010, 2011 and for the period of January 1, 2012 to February 21, 2012.

We calculated the following taxes and retirement amounts for the difference in pay as listed in #4:

	<u>Amount</u>	
Medicare tax	\$ 8,900	(1)
Retirement	\$ 100,521	(2)

(1) $\$613,823 \times 1.45\% = \$8,900$

(2) Amounts calculated without consideration of any interest or other charges that may be calculated by State Firefighters Retirement System.

6. We will inquire of the appropriate City employees, that are responsible for the payroll – payment of wages for the fire department employees, as to procedures in place concerning compliance with Louisiana Revised Statute 33:1992 during the period January 1, 2008 to February 21, 2012.

We inquired of the following City employees listed by position:

Director of Finance
 Assistant Comptroller
 Two(2) Administrative Assistants to the Fire Chief
 Secretary to the Fire Chief
 Deputy Chief

The Director of Finance, Assistant Comptroller, and Secretary to the Fire Chief were not aware of the Louisiana Revised Statute 33:1992.

The two(2) Administrative Assistants to the Fire Chief and the Deputy Chief were aware of the compliance requirements of the Louisiana Revised Statute 33:1992.

Procedures in place concerning compliance with Louisiana Revised Statutes per inquiries are as follows:

Administrative Assistant to the Fire Chief was aware that a \$400, across the board, raise to all fire department employees, effective January 1, 2008, would violate Louisiana Revised Statute 33:1992 and discussed this with the Fire Chief at that time.

Fire Chief made the decision to authorize a \$400 across the board raise effective January 1, 2008.

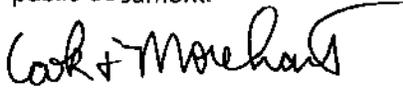
7. We will provide recommendations, for procedural changes if any, to implement concerning compliance with Louisiana Revised Statute 33:1992.

We recommend that the City implement procedures, for all employees associated with the payroll process, to have a general knowledge of the Louisiana Revised Statute 33:1992.

We recommend that the City implement procedures whereby the Director of Finance review and approve all changes to fire department employees' pay for compliance with Louisiana Revised Statute 33:1992.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Council of the City of Bossier City, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report will be distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Cook & Morehart". The signature is written in a cursive, flowing style.

Cook & Morehart
Certified Public Accountants
August 7, 2012