

**BUNKIE CITY COURT**

**Annual Financial Report**  
**For the Year Ended December 31, 2003**

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 9-15-04

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# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

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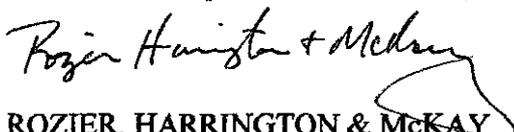
June 16, 2004

The Honorable James Mixon, Judge  
Bunkie City Court  
Bunkie, Louisiana

We have compiled the accompanying balance sheet of Bunkie City Court as of December 31, 2003, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a reported dated June 16, 2004, on the results of our agreed-upon procedures.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

# **BUNKIE CITY COURT**

## **Combined Balance Sheet - All Fund Types and Account Groups**

**December 31, 2003**

	<u>Governmental Fund Type</u> General Fund	<u>Fiduciary Fund Type</u> Agency Fund	<u>Account Group</u> General Fixed Assets	<u>Memorandum Totals</u>
<b><u>ASSETS</u></b>				
Cash	\$ 10,773	\$ 224	\$ -	\$ 10,997
Due from other funds	-	372	-	372
Other	3	-	-	3
Furniture, fixtures, and equipment	-	-	26,861	26,861
<b>TOTAL ASSETS</b>	<b><u>\$ 10,776</u></b>	<b><u>\$ 596</u></b>	<b><u>\$ 26,861</u></b>	<b><u>\$ 38,233</u></b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b><u>LIABILITIES</u></b>				
Bank Overdraft	\$ -	\$ 289	\$ -	\$ 289
Accounts payable	2,193	307	-	2,500
Due to other funds	372	-	-	372
<b>TOTAL LIABILITIES</b>	<b><u>\$ 2,565</u></b>	<b><u>\$ 596</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,161</u></b>
 <b><u>FUND BALANCE</u></b>				
Investment in general fixed assets	\$ -	\$ -	\$ 26,861	\$ 26,861
Fund balance - unrestricted	8,211	-	-	8,211
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 8,211</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26,861</u></b>	<b><u>\$ 35,072</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 10,776</u></b>	<b><u>\$ 596</u></b>	<b><u>\$ 26,861</u></b>	<b><u>\$ 38,233</u></b>

**See the Accompanying Accountants' Compilation Report**

# **BUNKIE CITY COURT**

## **Combined Statement of Revenue, Expenditures and Changes in Fund Balance Governmental Fund Types For the Year Ended December 31, 2003**

	<u>General Fund</u>
<b><u>REVENUES</u></b>	
Fines and Forfeitures	\$ 32,509
Miscellaneous	3,736
Interest Income	<u>160</u>
 Total Revenues	 <u>36,405</u>
<b><u>EXPENDITURES</u></b>	
Judicial:	
Advertising	78
Bank Charges	136
Books and Periodicals	305
Dues	1,132
Equipment Lease	1,097
Fuel and Oil	2,429
Judge's Retirement	345
Office Expense	2,676
Salaries and Wages	10,005
Seminars	1,992
Supplies and Uniforms	641
Taxes - Payroll	803
Telephone	3,120
Capital Outlay	<u>4,049</u>
 Total Expenditures	 <u>28,808</u>
 Excess (Deficit) Revenues Over Expenditures	 7,597
Fund Balance at Beginning of Year	<u>614</u>
 Fund Balance at End of Year	 <u>\$ 8,211</u>

**See the Accompanying Accountants' Compilation Report**

# **BUNKIE CITY COURT**

## **Combined Statement of Revenue, Expenditures and Changes in Fund Balance Budget (GAAP Basis) and Actual For the Year Ended December 31, 2003**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Fines and Forfeitures	\$ 28,000	\$ 32,509	\$ 4,509
Miscellaneous	5,000	3,736	(1,264)
Interest Income	100	160	60
<b>Total Revenues</b>	<b>33,100</b>	<b>36,405</b>	<b>3,305</b>
<b><u>EXPENDITURES</u></b>			
Judicial:			
Advertising	100	78	22
Bank Charges	130	136	(6)
Books and Periodicals	400	305	95
Dues	1,000	1,132	(132)
Equipment Lease	-	1,097	(1,097)
Fuel and Oil	2,000	2,429	(429)
Judge's Retirement	400	345	55
Miscellaneous	100	-	100
Office Expense	1,200	2,676	(1,476)
Repairs	500	-	500
Salaries and Wages	11,000	10,005	995
Seminars	1,500	1,992	(492)
Supplies and Uniforms	500	641	(141)
Taxes - Payroll	800	803	(3)
Telephone	2,500	3,120	(620)
Capital Outlay	3,700	4,049	(349)
<b>Total Expenditures</b>	<b>25,830</b>	<b>28,808</b>	<b>(2,978)</b>
Excess (Deficit) Revenues Over Expenditures	7,270	7,597	327
Fund Balance at Beginning of Year	614	614	-
<b>Fund Balance at End of Year</b>	<b>\$ 7,884</b>	<b>\$ 8,211</b>	<b>\$ 327</b>

See the Accompanying Accountants' Compilation Report

# **BUNKIE CITY COURT**

## **Notes to Financial Statements**

**December 31, 2003**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Bunkie City Court (the Court) was established by State Law and is governed by an independently elected Judge. The Court has jurisdiction in Ward 10 of Avoyelles Parish which encompasses the City of Bunkie. The Judge is the executive officer of the Court and is responsible for seeing that the orders and mandates of the Court are executed. Operations of the Court are funded primarily by court costs and fees assessed from persons participating in the judicial process.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a) The ability of the reporting entity to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the Court is a component of the City of Bunkie. The accompanying financial statements present information only on the fund and account groups maintained by the Court and do not present information for the City of Bunkie, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

#### **Fund Accounting**

The accounts of the Court are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and

# **BUNKIE CITY COURT**

## **Notes to Financial Statements**

**December 31, 2003**

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expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Court:

### **Governmental Fund Type**

**General Fund** – The general fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund.

### **Fiduciary Funds**

**Agency Funds** – Agency funds are clearing accounts for assets collected and held by the Court for other funds, governments, or individuals. Agency funds are custodial in nature, with their assets equaling their liabilities, and do not involve measurement of results of operations.

### **Account Groups**

**General Fixed Assets Account Group** – This account group is established to account for all fixed assets of the Court.

### **Basis Of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. Revenue is considered available, if it is subject to collection with 60 days. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Inventories of supplies are considered immaterial and are not recorded.

### **Budgetary Control**

The Court has established the calendar year as its twelve-month reporting period. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The Judge prepares a proposed budget based on an estimate of the revenues expected to be received during the year. A summary of the budget is available for public inspection.

### **Fixed Assets**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the Court does not capitalize infrastructures, these items are excluded from the general fixed assets account group. No

# **BUNKIE CITY COURT**

## **Notes to Financial Statements**

**December 31, 2003**

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depreciation has been provided on general fixed assets. General fixed assets are reported at historical cost, including any interest incurred during construction.

### **Cash And Cash Equivalents**

For reporting purposes, cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments.

### **Compensated Absences**

Personnel policy adopted by the Court does not allow employees to carryover material amounts of vested leave. As a result, no provision for compensated absences is included in the accompanying financial statements.

### **Encumbrance Accounting**

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

### **Total Columns On Combined Statements**

Total columns on the combined statements are captioned "Memorandum" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

At December 31, 2003, deposits are fully secured from risk by federal deposit insurance coverage.

### **NOTE 3 - PROPERTY AND EQUIPMENT**

Changes in general fixed assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Automobiles	\$ 2,911	\$ ----	\$ ----	\$ 2,911
Furniture, Fixtures and Equipment	19,901	4,049	----	23,950
<b>Total General Fixed Assets</b>	<b>\$ 22,812</b>	<b>\$ 4,049</b>	<b>\$ ----</b>	<b>\$ 26,861</b>

# **BUNKIE CITY COURT**

## ***Notes to Financial Statements***

***December 31, 2003***

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### **NOTE 4 – RISK MANAGEMENT**

The Court is exposed to various risk of loss to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Court is insured against these risks through an insurance policy owned by the City of Bunkie, of which the Court is a component unit. There have been no claims resulting from these risks in any of the past three years.

# ROZIER, HARRINGTON & MCKAY

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June 16, 2004

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable James Mixon, Judge  
Bunkie City Court  
Bunkie, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Bunkie City Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Bunkie City Court's compliance with certain laws and regulations during the year ended December 31, 2003, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the 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.

#### **PUBLIC BID LAW:**

1. Select all expenditures made during the year for material and supplies exceeding \$7,500, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$7,500 and no expenditures were made for public works exceeding \$100,000.

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of the Judge as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Judge and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with all payroll records.

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***Bunkie City Court***  
***June 16, 2004***

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4. Determine whether any of those employees included in the records obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the reports provided by management in agreed-upon procedure (2).

**BUDGETING**

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the budget.

6. Trace the budget adoption and amendments to the minute book.

**Not Applicable:**

The Judge is an independently elected official; therefore, no meetings or minutes are necessary to adopt a budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Our comparison resulted in the finding described below:

**Finding 2003-1**

Expenditures exceeded appropriations by more than the 5% permitted by State Law.

**ACCOUNTING AND REPORTING**

8. Randomly select six disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated that each check was signed by the proper official, except as described below:

***Bunkie City Court***  
***June 16, 2004***

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**Finding 2003-2**

The Clerk of Court has been authorized to sign checks drawn on the City Marshal's Cost account. The six checks selected for testing included one occasion when the Clerk of Court signed her own payroll check.

**MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meeting law).

**Not Applicable**

The Judge is an independently elected official; therefore, no meetings are required.

**DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness

We inspected the cash receipts journal for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

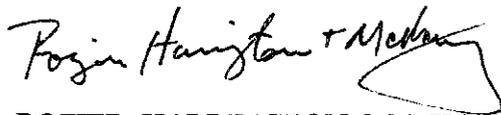
**ADVANCES AND BONUSES**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance or gifts.

We inspected payroll records for the Court Cost Account and determined that in addition to regular monthly salary, one employee did receive a check in the amount of \$500 dated December 22, 2003. Management has indicated that this payment represents compensation for services performed that were beyond the employees ordinary duties.

We were not engaged to, and did not, perform an examination, 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 use of management of the Bunkie City Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



**ROZIER, HARRINGTON & McKAY**  
Certified Public Accountants

# **BUNKIE CITY COURT**

## **Summary of Prior Year Findings**

**For the Year Ended December 31, 2003**

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<b><u>SECTION I</u></b> <b>COMPILATION REPORT</b>	
N/A – No findings of this nature were reported.	Response – N/A
<b><u>SECTION II</u></b> <b>ATTESTATION REPORT</b>	
N/A – No findings of this nature were reported.	Response – N/A
<b><u>SECTION III</u></b> <b>MANAGEMENT LETTER</b>	
N/A – No findings of this nature were reported.	Response – N/A

# **BUNKIE CITY COURT**

## **Management's Corrective Action Plan For the Year Ended December 31, 2003**

<b>SECTION I COMPILATION REPORT</b>	
N/A – No findings of this nature were reported.	Response – N/A
<b>SECTION II ATTESTATION REPORT</b>	
<b><u>Finding 2003-1</u></b> Expenditures exceeded appropriations by more than the 5% permitted by State Law.	<b><u>Response – 2003-1</u></b> During the year ended December 31, 2003, the Court received a grant to purchase new court reporting equipment. Due to an oversight, management did not amend the budget to reflect the equipment purchases. In the future, we will revise the budget for any major purchases that are not anticipated when the original budget is prepared.
<b><u>Finding 2003-2</u></b> The Clerk of Court has been authorized to sign checks drawn on the City Marshal's Cost account. The six checks selected for testing included one occasion when the Clerk of Court signed her own payroll check.	<b><u>Response – 2003-2</u></b> The Clerk of Court has indicated that beginning with the date of this report, she will avoid signing her own payroll check. Payroll checks issued in the future will be signed by an elected official of the City Court.
<b>SECTION III MANAGEMENT LETTER</b>	
<b><u>Fuel Purchases</u></b> The City Marshal's PIN number has been used to purchase a large volume of fuel on the City's Fuelman account. The City Marshal's Cost Account does not have the resources to pay for the amount of fuel that was purchased. Accordingly, an unpaid balance has accumulated on the City's Fuelman account.	<b><u>Response</u></b> The City Marshal believes that some unknown party has used his PIN number to engage in unauthorized fuel purchases. He intends to respond to this matter by canceling the PIN number and using an account with a local merchant to make future fuel purchases. He also intends to eliminate the balance on the City's Fuelman account by making monthly installments of \$200 to \$300 until the balance is eliminated.

***Louisiana Attestation Questionnaire***  
***For the Year Ended December 31, 2003***

**Appendix**

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

May 25, 2004

Rozier, Harrington & McKay  
Certified Public Accountants  
Post Office Box 12178  
Alexandria, Louisiana 71315

In connection with your compilation of our financial statements as of December 31, 2003 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Government Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 25, 2004.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212 , and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes (x) No ( )

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes (x) No ( )

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes (x) No ( )

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes (x) No ( )

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes (x) No ( )

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92 as applicable.

Yes (x) No ( )

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes (x) No ( )

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes (N/A) No ( )

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410. 60-1410:65.

Yes (x) No ( )

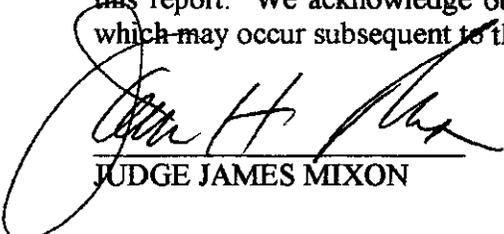
**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes (x) No ( )

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period underexamination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

  
\_\_\_\_\_  
JUDGE JAMES MIXON

Jan 7, 2004  
DATE

# ROZIER, HARRINGTON & MCKAY

## CERTIFIED PUBLIC ACCOUNTANTS

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June 16, 2004

Bunkie City Court  
Bunkie, Louisiana

In performing procedures for the Bunkie City Court for the year ended December 31, 2003, we became aware of a certain matter that needs to be brought to management's attention. This matter is described as follows:

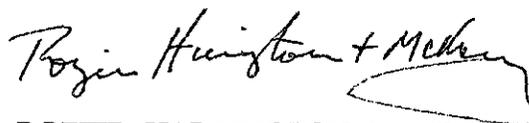
### Fuel Purchases:

The City Marshal's Office uses a fuelman credit card to purchase fuel on the City of Bunkie's account. Under this arrangement, checks are issued directly to fuelman from the Marshal's Cost Account in order to pay the Office's share of the City's fuelman bill. However, for several months, charges to the account have exceeded the Office's ability to pay and an unpaid balance has accumulated.

The volume of fuel purchases was discussed with the City Marshal. Based on the Marshal's response, he believes that someone has used the PIN number to engage in unauthorized fuel purchases. We were also told that the person responsible for the unauthorized charges could not be identified because several people had been authorized to use the Office's vehicle to perform duties on the Marshal's behalf. It appears that anyone using the car would have unrestricted access to the PIN number.

Based on our discussions with the City Marshal and City Clerk, the PIN number that was used to engage in unauthorized charges has been cancelled. However, if the Marshal's Office intends to continue purchasing fuel on credit, procedures need to be implemented to make sure that only authorized personnel have the ability to charge fuel.

We will be available at your convenience to discuss our comments and suggestions in greater detail. Our firm will also be available to assist in implementing these recommendations.



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