

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2013

**CITY MARSHAL OF BASTROP
Bastrop, Louisiana**

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Accountant's Compilation Report

HONORABLE LISA CHAFFORD
CITY MARSHAL OF BASTROP
Bastrop, Louisiana

I have compiled the accompanying general purpose financial statements, as listed in the foregoing table of contents, of the City Marshal of Bastrop, as of December 31, 2013, and for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City Marshal of Bastrop financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



West Monroe, Louisiana
April 8, 2014

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

CITY MARSHAL OF BASTROP
Bastrop, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 2013

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FIDUCIARY FUND TYPE- AGENCY FUNDS	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash and cash equivalents	\$14,063	\$1,329		\$15,392
Accounts receivable	2,597			2,597
Due from agency funds	368			368
Office furnishings and equipment			\$34,831	34,831
TOTAL ASSETS	\$17,028	\$1,329	\$34,831	\$53,188
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$274			\$274
Due to general fund		\$368		368
Payroll withholdings payable	383			383
Total Liabilities	657	368	NONE	1,025
Fund Equity:				
Investment in general fixed assets			\$34,831	34,831
Fund balance - unassigned	16,371	961		17,332
Total Fund Equity	16,371	961	34,831	52,163
TOTAL LIABILITIES AND FUND EQUITY	\$17,028	\$1,329	\$34,831	\$53,188

See accompanying notes and accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Actual
For the Year Ended December 31, 2013

REVENUES

Fees, charges, and commissions for services	\$50,172
Use of money and property	<u>8</u>
Total revenues	<u>50,180</u>

EXPENDITURES

Public safety:	
Personal Services	31,863
Operating services	12,018
Materials and supplies	5,021
Travel and other charges	<u>5,389</u>
Total expenditures	<u>54,291</u>

EXCESS (Deficiency) OF REVENUES
OVER EXPENDITURES

(4,111)

FUND BALANCE AT BEGINNING OF YEAR20,482**FUND BALANCE AT END OF YEAR**\$16,371

See accompanying notes and accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided for by Chapter 7 of Title 13 of the Louisiana Revised Statutes, the City Marshal of Bastrop is the executive officer of the city court. The marshal shall execute the orders and mandates of the court and in the execution thereof, and in making arrests and preserving the peace, has the same powers and authority of a sheriff. The city marshal is elected for a six year term.

A. REPORTING ENTITY

As the governing authority of the city, for reporting purposes, the City of Bastrop is the financial reporting entity for the city. The financial reporting entity consists of (a) the primary government (city), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the City of Bastrop for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. 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 city 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 city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.

See accountant's compilation report.

CITY MARSHAL OF BASTROP

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

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.

Because the city maintains and operates the city hall in which the city marshal's office is located, and provides other financial support to the city marshal, the city marshal was determined to be a component unit of the City of Bastrop, 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.

B. FUND ACCOUNTING

The city marshal uses funds and account groups to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The general fund is used to account for the operations of the marshal's office. The agency fund is used as a depository for garnishments and related fees. Disbursements from the fund are made to the city marshal, litigants, et cetera, in the manner prescribed

See accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

by law. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. General fixed assets provided by the City of Bastrop are not recorded in the general fixed assets account group. Approximately 32 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 68 per cent are based on actual historical costs. No depreciation has been provided on general fixed assets. The city marshal has no long-term debt at December 31, 2013.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. 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 be used to pay liabilities of the current period. The city marshal uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Marshal's fees and other court costs are recorded in the year in which they are earned.

Substantially all other revenues are recognized when received by the marshal.

See accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

Based on the above criteria, marshal's fees and other court costs 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.

E. CASH AND CASH EQUIVALENTS

Under state law, the city marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The city marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2013, the city marshal has cash and cash equivalents (book balances) totaling \$15,392.

Demand deposits	\$377
Time deposits	<u>15,015</u>
Total	<u><u>\$15,392</u></u>

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at December 31, 2013, total \$30,499, and are fully secured by federal deposit insurance.

F. TOTAL COLUMN ON COMBINED BALANCE SHEET

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present 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.

See accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

G. RISK MANAGEMENT

The marshal is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the City of Bastrop maintains commercial insurance policies covering the marshal's general liability, automobile and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2013.

2. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others for the year ended December 31, 2013, is as follows:

	<u>Garnishment Fund</u>	<u>Sales and Seizures Fund</u>	<u>Total</u>
Balance at January 1, 2013	\$662	(\$44)	\$618
Additions	299,060	10,127	309,187
Reductions	<u>(298,571)</u>	<u>(10,273)</u>	<u>(308,844)</u>
Balance at December 31, 2013	<u>\$1,151</u>	<u>(\$190)</u>	<u>\$961</u>

3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in equipment for the year ended December 31, 2013:

Balance at January 1, 2013	\$34,831
Additions	NONE
Reductions	<u>NONE</u>
Balance at December 31, 2013	<u>\$34,831</u>

See accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

4. PENSION SYSTEM

For the year ended December 31, 2013, the marshal participated in the social security system. The marshal contributes 7.65% of his total salary to social security (FICA and Medicare) which is matched by employer contributions.

5. LITIGATION AND CLAIMS

The city marshal is not involved in any litigation at December 31, 2013, nor is she aware of any unasserted claims.

**6. EXPENDITURES OF THE CITY MARSHAL
PAID BY THE CITY OF BASTROP**

The accompanying financial statements do not include certain expenditures of the city marshal paid out of the funds of the City of Bastrop.

See accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

A. SUMMARY OF COMPILATION RESULTS

1. The compilation report expresses no opinion on the general purpose financial statements of the City Marshal of Bastrop.
2. Two instances of noncompliance material to the financial statements of the City Marshal of Bastrop was disclosed during the compilation.
3. No significant deficiencies relating to the compilation of the financial statements are reported in the Accountant's Compilation Report.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

**13-01 Need to Comply with Article VII, Section 14
of the Louisiana Constitution**

Finding: Article VII, Section 14 of the Louisiana Constitution prohibits the marshal's office from donating funds or things of value to any person, association, or corporation, public or private. During the course of my compilation I noted that during the compilation period the marshal has made numerous ATM cash withdrawals, amounting to \$200, with no support for what the cash was used to purchase.

Recommendation: The marshal should discontinue the practice of cash withdrawals with no support in violation of the Constitution.

**13-02 Need to Comply with Article VII, Section 14
of the Louisiana Constitution**

Finding: Article VII, Section 14 of the Louisiana Constitution prohibits the marshal's office from donating or loaning funds or things of value to any person, association, or corporation, public or private. During the course of my compilation I noted marshal had purchased items for a needy family amounting to \$161, which was repaid in January, 2014.

Recommendation: The marshal should discontinue the practice of donating or loaning public funds.

See accountant's compilation report.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2013

**12-01 Need to Comply with Article VII, Section 14
of the Louisiana Constitution**

Finding: Article VII, Section 14 of the Louisiana Constitution prohibits the marshal's office from donating funds or things of value to any person, association, or corporation, public or private. During the course of my compilation I noted that during the compilation period the marshal has made numerous ATM cash withdrawals, amounting to \$1,070, with no support for what the cash was used to purchase.

Recommendation: The marshal should discontinue the practice of donating public funds in violation of the Constitution.

Status: This finding was repeated in finding 13-01.

12-02 Need Improved Controls Over Expenditures

Finding: Procedures for disbursements do not provide adequate controls. I found numerous expenditures for the year ended December 31, 2012 with no support documentation.

Recommendation: The marshal should ensure that all expenditures are supported by an original invoice or other supporting documentation, and that documentation is present to show that all goods and services have been received before payment is made. Invoices and copies of checks should be filed timely in a systematic manner and in a secure location.

Status: The marshal has improved this practice.



Marshal's Office

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Phone, 318-283-3310 / Fax, 318-283-3383

April 8, 2014

To Whom It May Concern:

I, Lisa Chafford Marshal for the City of Bastrop have changed the policy for ATM withdrawals. This finding that is report here was done prior to office policy changes.

The finding relating to paying for the needy families was charge to the wrong card and was repaid as soon as it was discover.

Respectfully, -

Lisa Chafford, Marshal for the City of Bastrop