

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 2000

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 9-12-01

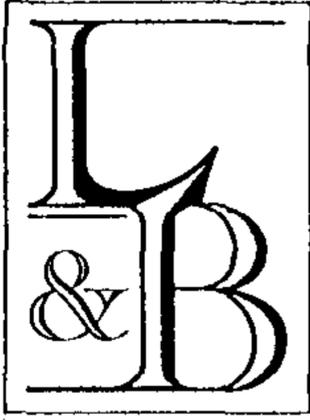
LITTLE & BANKS LLC
CERTIFIED PUBLIC ACCOUNTANTS

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 2000

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LITTLE & BANKS LLC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

HONORABLE ROY D. LEE
CITY MARSHAL OF BASTROP
Bastrop, Louisiana

We have audited the general purpose financial statements of the City Marshal of Bastrop as of December 31, 2000, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City Marshal of Bastrop's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City Marshal of Bastrop as of December 31, 2000, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

HONORABLE ROY D. LEE
CITY MARSHAL OF BASTROP
Bastrop, Louisiana
Independent Auditor's Report,
December 31, 2000

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2001, on the City Marshal of Bastrop's compliance with laws, regulations, and contracts, and our consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Monroe, Louisiana
June 23, 2001

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

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

Balance Sheet, December 31, 2000

	GOVERNMENTAL FUND TYPE - GENERAL FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash & cash equivalents	\$47,288		\$47,288
Receivables - city court costs	2,733		2,733
Office furnishings and equipment		\$25,541	25,541
TOTAL ASSETS	<u>\$50,021</u>	<u>\$25,541</u>	<u>\$75,562</u>
LIABILITIES AND FUND EQUITY			
Liabilities - payroll withholdings payable	\$629		\$629
Fund Equity:			
Investment in general fixed assets		\$25,541	25,541
Fund balance -			
unreserved - undesignated	49,392		49,392
Total Fund Equity	<u>49,392</u>	<u>25,541</u>	<u>74,933</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$50,021</u>	<u>\$25,541</u>	<u>\$75,562</u>

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2000

REVENUES	
Fees, charges, and commissions for services	\$78,295
Interest earnings	<u>2,390</u>
Total revenues	<u>\$80,685</u>
EXPENDITURES	
Public safety:	
Current:	
Personal services	27,458
Operating services	31,343
Materials and supplies	4,408
Capital outlay	<u>1,705</u>
Total expenditures	<u>64,914</u>
EXCESS OF REVENUES OVER EXPENDITURES	15,771
FUND BALANCE AT BEGINNING OF YEAR	<u>33,621</u>
FUND BALANCE AT END OF YEAR	<u>\$49,392</u>

The accompanying notes are an integral part of this statement.

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

Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 1999

REVENUES	
Fees, charges, and commissions for services	<u>\$62,953</u>
EXPENDITURES	
Public safety:	
Current:	
Personal services	27,171
Operating services	24,043
Materials and supplies	6,552
Capital outlay	<u>2,947</u>
Total expenditures	<u>60,713</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,240
FUND BALANCE AT BEGINNING OF YEAR	<u>31,381</u>
FUND BALANCE AT END OF YEAR	<u><u>\$33,621</u></u>

The accompanying notes are an integral part of this statement.

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 2000

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.

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 obligations) 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 marshal's current operations require the use of governmental (General Fund) and fiduciary fund types (Agency Fund). 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 by law. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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

**C. GENERAL 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 31 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 69 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, 2000.

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 and fiduciary 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.

Based on the above criteria, marshal's fees and other court costs are treated as susceptible to accrual.

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

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH

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, 2000, the city marshal has cash and cash equivalents (book balances) totaling \$47,288, follows:

Demand deposits	\$10,898
Time deposits	<u>36,390</u>
Total	<u>\$47,288</u>

These deposits are stated at cost, which approximates market. 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, 2000, total \$59,407 and are fully secured by federal deposit insurance.

F. 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, 2000.

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

**G. TOTAL COLUMN ON THE
 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.

**2. CHANGES IN AGENCY FUND
 DEPOSITS DUE OTHERS**

A summary of changes in agency fund deposits due others for the two years ended December 31, 2000, is as follows:

Balance at January 1, 1999	NONE
Additions:	
1999	220,990
2000	187,828
Reductions:	
1999	(220,990)
2000	<u>(187,828)</u>
Balance at December 31, 2000	<u><u>NONE</u></u>

3. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in office furnishings and equipment for the two years ended December 31, 2000:

Balance at January 1, 1999	\$20,889
Additions:	
1999	2,947
2000	NONE
Reductions:	
1999	1,705
2000	<u>NONE</u>
Balance at December 31, 2000	<u><u>\$25,541</u></u>

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

4. PENSION SYSTEM

For the year ended December 31, 2000, 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. Employer contributions for the years ended December 31, 1999 and 2000 were \$1,172 and \$1,164, respectively. The marshal's total salary paid for the years ended December 31, 1999 and 2000 was \$15,227 and \$15,211, respectively.

5. LITIGATION AND CLAIMS

At December 31, 2000, the city marshal is not involved in any litigation, nor is he 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.

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance with laws and regulations and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & BANKS LLC
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report on Compliance and
Internal Control Over Financial Reporting**

Wm. TODD LITTLE, CPA
KERRY J. BANKS, CPA
CHARLES R. MARCHBANKS, JR., CPA
VERNON R. COON, CPA

HONORABLE ROY D. LEE
CITY MARSHAL OF BASTROP
Bastrop, Louisiana

We have audited the general purpose financial statements of the City Marshal of Bastrop as of and for the two years ended December 31, 2000 and have issued our report thereon dated June 23, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City Marshal of Bastrop's general purpose financial statements are free of material misstatement, we 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 amounts. 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards*. That finding is presented in the accompanying schedule of findings and questioned costs as item 00-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Marshal of Bastrop's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

HONORABLE ROY D. LEE
CITY MARSHAL OF BASTROP
Bastrop, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2000

This report is intended solely for the information and use of the City Marshal of Bastrop, management of the marshal's office and Legislative auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Little & Gandy LLC

Monroe, Louisiana
June 23, 2001

CITY MARSHAL OF BASTROP
Bastrop, Louisiana

Schedule of Findings and Questioned Costs
For the Two Years Ended December 31, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of City Marshal of Bastrop.
2. One instance of noncompliance material to the financial statements of City Marshal of Bastrop was disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

00-1. Need to Comply with Louisiana Local Government Budget Act

Finding: Budgets were not adopted for the general fund for either of the two years ended 12/31/00. Louisiana Revised Statute (LRS) 39:1304 requires each political subdivision to prepare a budget. LRS 39:1302, as amended, now includes city court, and thereby city marshal, in the definition of a political subdivision. The city marshal was not aware of the amendment to the definition of a political subdivision. Consequently, no budget was adopted for the city marshal's general fund.

Recommendation: In the future, the marshal should adopt a budget as required by the statutes.

Managements Response: The marshal stated that in the future a budget would be adopted as required by the statutes.

**CITY MARSHAL OF BASTROP
Bastrop, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Two Years Ended December 31, 2000**

There were no audit findings reported in the audit for the two years ended December 31, 1998.

City Marshal's Office



P.O. Box 809
Bastrop, La. 71221
Phone (318) 283-3310
Fax 283-3383
Office, City Hall Complex, Across From Courtroom

September 6, 2001

Dr. Daniel G. Kyle, Secretary
Legislative Audit Advisory Council
P.O. Box 94397
Baton Rouge, La. 70804-9397

Dear Dr Kyle:

The Bastrop City Marshal responds as follows.

Finding: Need to comply with Louisiana Local Government Budget Act.

The Bastrop City Marshal was unaware of changes to the Louisiana Local Government Budget Act. In the future we will adhere to the budget act.

Thank you and with kindest regards, I am

Respectfully yours,

Roy Lee, Marshal

Lisa Chafford, Dy. Marshal / Secretary

Scott Floyd, Deputy Marshal