



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

March 3, 2014

## CITY OF BAKER

Financial records for the City of Baker were not properly reconciled so auditors could not determine if city finances are in order and disclaimed their opinion for the East Baton Rouge Parish city, according to a report released Monday by Legislative Auditor Daryl Purpera.

The Baton Rouge office of the accounting firm of Postlethwaite and Netterville, APAC cited Baker with a dozen findings based on the poor bookkeeping and other factors. The report was done for the state auditor for the fiscal year ending June 30, 2013.

The audit report said the city does not have a procedure in place to reconcile accounts in a timely manner, a condition which auditors said could lead to “inaccurate and improper activity” not being detected quickly.

The report also said the financial reports provided to the mayor and city council members are not properly summarized nor presented “in a manner to allow for review of compliance matters and decision-making. Additionally, the reports provided to the council and the mayor may have contained inaccuracies.”

Auditors also cited Baker officials with a possible violation of the state public bid law for not advertising for and taking bids on a Chevrolet Tahoe, which cost \$37,204. State law requires purchases in excess of \$30,000 to be publicly advertised and bid out.

The report also said that the budget of the Baker city marshal’s office was not included in the city’s budget and “did not undergo the public inspection, adoption and approval process.” Auditors said in examining some disbursements, they noted approximately \$15,000 in payments from the marshal’s account for credit card buys that lacked supporting documentation, such as the actual invoices for the purchases.

Baker officials may be “receiving a tax it has not levied,” according to the report. It said that voters approved a half-cent sales tax with no expiration in 2001 for police and fire protection. The Baker city charter then requires an ordinance to be passed so that the tax may be levied. In 2001 an ordinance to collect the tax was passed for a period of 10 years. “However, no ordinance was passed by the council to once again levy the tax upon expiration of the 10-year term of the levy,” the audit report said. “The tax continues to be collected.”



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

City officials responded that no action is needed in order to collect the tax because the voters approved the tax without an expiration date. The audit report recommended that city officials obtain a legal opinion as to whether the tax must be re-levied.

Some of the other findings included:

- The city does not keep detailed accounting records of the deposits made when it sells “pre-need” cemetery services and products.
- The city does not fully comply with bond covenants that require certain reserve accounts to be restricted to specific uses. A depreciation and contingency fund for the bonds also has not been established.

**For more information, contact:**

Daryl G. Purpera, CPA, CFE

Legislative Auditor

225-339-3800

**On Twitter:** Financial records for the City of Baker were not properly reconciled.