

**CITY COURT OF BASTROP
BASTROP, LOUISIANA**

JUNE 30, 2023

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**OESTRIECHER
& COMPANY, CPAs**

Beyond the Numbers

www.oandcocpas.com

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Independent Auditor's Report

To the Honorable Judge Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Bastrop, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Bastrop, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Bastrop, as of June 30, 2023, and the respective changes in financial position and, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Court of Bastrop, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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 for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court of Bastrop's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Bastrop's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court of Bastrop's, ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the pension information and budgetary comparison information included on pages 33 through 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Bastrop's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer included on page 36 and The Justice System Funding Schedule – Collecting/Disbursing Entity on pages 37 through 39 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the City Court of Bastrop's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Bastrop's internal control over financial reporting and compliance.

Oestriecker & Company

OESTRIECKER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

September 29, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**City Court of Bastrop
Statement of Net Position
June 30, 2023**

	Governmental Activities
Assets	
Current assets	
Cash	\$ 228,112
Due from other funds	8
Total current assets	228,120
Capital assets, net of accumulated depreciation	21,507
Right of use assets, net of accumulated amortization	5,144
Total assets	254,771
DEFERRED OUTFLOWS OF RESOURCES	110,375
Liabilities	
Current liabilities	
Accounts payable	109
Due to fiduciary fund	7,057
Lease liability	2,014
Other liabilities	179
Total current liabilities	9,359
Long term liabilities	
Lease liability	3,282
Pension liability	436,924
Total liabilities	449,565
DEFERRED INFLOWS OF RESOURCES	15,691
Net Position	
Net investment in capital assets	26,651
Unrestricted net position	(149,475)
Restricted net position	22,714
Total net position	\$ (100,110)

The notes to the financial statements are an integral part of this statement.

**City Court of Bastrop
Statement of Activities
For The Year Ended June 30, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
GOVERNMENTAL ACTIVITIES					
Primary Government					
Governmental activities					
General fund	\$ 372,431	\$ 221,013	\$ 182,453	\$ -	\$ 31,035
Judicial building fund	16,729	16,010	-	2,891	2,172
Total governmental activities	<u>389,160</u>	<u>237,023</u>	<u>182,453</u>	<u>2,891</u>	<u>33,207</u>
 Total primary government	<u>\$ 389,160</u>	<u>\$ 237,023</u>	<u>\$ 182,453</u>	<u>\$ 2,891</u>	<u>\$ 33,207</u>
		General revenues and transfers			
		Interest and investment earnings			1,996
		Transfers from agency funds			-
		Total general revenues and transfers			<u>1,996</u>
		Change in net position			<u>\$ 35,203</u>
		Net position-beginning of year			<u>(135,313)</u>
		Net position-end of year			<u>\$ (100,110)</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**Balance Sheet
Governmental Funds
City Court of Bastrop
June 30, 2023**

	<u>General</u>	<u>Judicial Building Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash	\$ 203,618	\$ 24,494	\$ 228,112
Due from other funds	1,738	-	1,738
Total assets	\$ 205,356	\$ 24,494	\$ 229,850
 <u>Liabilities and fund balance</u>			
Liabilities:			
Payroll taxes payable	\$ 179	\$ -	\$ 179
Accounts payable	59	50	109
Due to other funds	7,057	1,730	8,787
Total liabilities	7,295	1,780	9,075
Fund balance:			
Restricted	-	22,714	22,714
Unassigned	198,061	-	198,061
Total fund balances	198,061	22,714	220,775
Total liabilities and fund balances	\$ 205,356	\$ 24,494	\$ 229,850

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
June 30, 2023**

Total fund balance-total governmental funds		\$ 220,775
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:		
Capital assets of \$212,699 net of accumulated depreciation of (\$191,192), are not financial resources and, therefore, are not reported in the funds.	\$ 21,507	
Right of use assets of \$7,193 net of accumulated amortization of (\$2,049), are not financial resources and, therefore, are not reported in the funds	5,144	
Lease liability not reported in the fund financial statements	(5,296)	
Pension liability not reported in the fund financial statements	(436,924)	
The deferred outflows of expenditures for the Court's pension obligation are not a use of current resources, and therefore, are not reported in the fund financial statements	110,375	
The deferred inflows of contributions for the Court's pension obligation are not available resources, and therefore, are not reported in the fund financial statements	<u>(15,691)</u>	
		<u>(320,885)</u>
Net position of governmental activities		<u><u>\$ (100,110)</u></u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
City Court of Bastrop
For the year ended June 30, 2023**

	General Fund	Judicial Building Fund	Total Governmental Funds
Revenues:			
Article income	\$ 13,681	\$ -	\$ 13,681
Court costs	142,831	16,010	158,841
Diversion income	37,087	-	37,087
Probation income	14,261	-	14,261
Grant income	-	2,891	2,891
On-behalf payments	182,453	-	182,453
Other revenue	13,154	-	13,154
Interest	1,969	27	1,996
Total revenues	<u>405,436</u>	<u>18,928</u>	<u>424,364</u>
Expenditures:			
Current:			
General Fund	339,552	-	339,552
Judicial Building Fund	-	11,400	11,400
Capital outlay	-	2,943	2,943
Total expenditures	<u>339,552</u>	<u>14,343</u>	<u>353,895</u>
Excess (deficiency) before transfers	65,884	4,585	70,469
Other financing sources (uses)			
Transfers (to) from other funds	-	-	-
Excess (deficiency) of revenues over expenditures	65,884	4,585	70,469
Fund balances, beginning of year	132,177	18,129	150,306
Fund balances, end of year	<u>\$ 198,061</u>	<u>\$ 22,714</u>	<u>\$ 220,775</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the year ended June 30, 2023**

Net changes in fund balances-total governmental funds		\$ 70,469
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures	\$ 2,943	
Depreciation expense	<u>(5,176)</u>	(2,233)
Governmental funds report leases as expenditures. However, in the statement of activities, the cost of those right of use assets is allocated over their estimated useful lives and reported as amortization expense.		
Reduction in lease liability	1,897	
Amortization expense	<u>(2,049)</u>	(152)
Differences between the amounts reported as an expense in the statement of activities and those reported as an expense in the fund financial statements		
Pension expense		<u>(32,881)</u>
Change in net assets of governmental activities		<u><u>\$ 35,203</u></u>

The notes to the financial statements are an integral part of this statement.

**Statement of Fiduciary Net Position
City Court of Bastrop
June 30, 2023**

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash	\$ 197,521
Investments, at cost	67,438
Due from other funds	<u>7,057</u>
Total assets	<u><u>\$ 272,016</u></u>
<u>Fiduciary Net Position Restricted for:</u>	
Bonds, fines, and court costs held for future disposition	\$ 272,008
Due to other funds	<u>8</u>
Total fiduciary net position	<u><u>\$ 272,016</u></u>

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
City Court of Bastrop
June 30, 2023

	Custodial Funds
<u>Additions</u>	
Contributions	
Fines collected	\$ 578,910
Bonds collected	5,300
Total additions	584,210
 <u>Deductions</u>	
Fines disbursed	599,438
Bonds refunded	15,042
Total deductions	614,480
 Net decrease in fiduciary net position	 (30,270)
Net position, beginning	302,286
Net position, ended	\$ 272,016

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented in conformity with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting policies affecting their presentation.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City Court of Bastrop as a whole excluding fiduciary activity. Individual funds are not displayed.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

The City Court of Bastrop has implemented GASB 63 which requires the presentation of a Statement of Net Position instead of a Statement of Net Assets in the government-wide financial statements.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns.

Fiduciary Financial Statements

The City Court of Bastrop has adopted the provisions of GASB 84 which require the presentation of both a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Reporting Entity - In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criteria for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criteria involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criteria used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The City Court of Bastrop is fiscally dependent on the City of Bastrop. The City provides funds for salaries and other expenses. Because the City Court of Bastrop is fiscally dependent on the City of Bastrop, the City Court of Bastrop was determined to be a component unit of the City of Bastrop, the financial reporting entity. The accompanying financial statements presents information only on the funds maintained by the City Court of Bastrop and does not present information on the City of Bastrop, the general governmental services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

Governmental Funds –

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

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Judicial Building Fund – Fees are collected from each suit that comes through the court. These fees are used at the Judge’s discretion to pay for building and equipment upkeep. The net position of the Building Fund is restricted.

Fiduciary Funds –

Fiduciary Funds - Fiduciary funds are used to account for assets held by City Court of Bastrop as an agent for other governmental departments, other organizations and other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

Civil Court Fund - Advance court costs are deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees in civil matters. As the suits are processed, the various fees earned are paid out on a monthly basis. After a case is dismissed, any excess deposit is refunded to the plaintiff.

Criminal Court Fund – This fund is used to account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for criminal offenses. Bonds posted by violators are held until their cases are heard in City Court of Bastrop. At that time, the bonds for persons convicted of violations are distributed to various agencies.

Cash Bond Fund – This fund is used to account for cash bonds posted by defendants that are arrested by Bastrop City Police. Upon final disposition of the case, a defendant is entitled to a refund of cash bonds posted. Forfeited bonds are distributed to the proper agencies on a periodic basis.

City Court Registry – This fund is used to account for unclaimed funds that were seized from a defendant in a court case over 20 years ago. The plaintiff received the full amount of the judgment of the court, and the amount in this fund has not been claimed by the rightful heirs.

Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements report using the same focus and basis of accounting.

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. 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. Expenditures are recorded when the related fund liability is incurred. Fiduciary fund revenues and expenses or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. The City Court of Bastrop has four fiduciary funds, which are purely custodial and thus do not involve measurement of results of operations.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

Fund Balances – Fund Financial Statements

City Court of Bastrop adopted the provisions of GASB 54 related to the classification of the governmental fund balances. The governmental fund balances are classified as follows:

Restricted – Restricted fund balances are amounts that are constrained for a specific purpose through restrictions of external parties or by constitutional provision or enabling legislation.

Unassigned - Unassigned fund balance is the residual classification and includes all amounts that are not restricted or constrained in any other classification of fund balance.

Budgets and Budgetary Accounting

The City Court of Bastrop adopts a budget on a basis consistent with GAAP for the General Fund and Special Revenue Fund. The City Court of Bastrop is required to present the adopted and final amended budgeted revenues and expenditures for the General Fund and Special Revenue Fund. The City Court of Bastrop establishes the fiscal year as the twelve-month period beginning July 1. The budget is made available for public inspection.

The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual presents a comparison of budgetary data to actual results of operations for which annual budgets have been adopted. These funds utilize the same basis of accounting for both budgetary purposes and actual results.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by R.S. 33:2955 and the City Court’s investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are recorded at cost which approximates market value.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

Interfund Receivables and Payables

The fiduciary funds occasionally incur costs such as check printing and bank charges. The General Fund reimburses the fiduciary funds for these costs. Interest revenues earned on the fiduciary funds are used to offset these charges. Interfund balances between the General Fund and Special Revenue Fund are eliminated in the Government-Wide financial statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System and the Louisiana State Employees' Retirements System, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. This will affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these amounts.

Net Position

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where the City Court of Bastrop receives restricted and unrestricted monies for the same purpose, the restricted monies are used first.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

New Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments financial statements by requiring recognition of certain lease assets and lease liabilities that were previously classified as operating leases and recognized as outflows of resources based on the payment provisions in the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The effective date of this standard is for fiscal years beginning after June 15, 2021 and thereafter. The City Court of Bastrop implemented this standard effective July 1, 2022.

2. **CASH AND INVESTMENTS**

Cash balances are insured to Federal Depository Insurance Corporation limits of \$250,000. City Court of Bastrop has deposits in banks that exceed the FDIC limits in the amount of \$162,587. This excess is secured by a collateral pledge by the bank.

As of June 30, 2023, the City Court of Bastrop has a certificate of deposit in the amount of \$67,438. The certificate bears interest at a rate of 1.0%, has an original maturity of 60 months and matures in April 2028. Any penalties for early withdrawal would not have a material effect on the financial statements.

3. **COURT COSTS PAYABLE**

These various liabilities represent charges against advance court costs deposited for each case and are based on the processing of the case by the Judge and/or Marshal. As activity occurs in the suit, the advance court costs account is decreased and the related liability account is decreased. These amounts are included in bonds and fines held for future disposition in the Statement of Fiduciary Net Position.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

4. INTERFUND RECEIVABLES AND PAYABLES

A summary of the interfund receivables and payables by fund at June 30, 2023 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
General Fund	\$ 7,057	\$ 1,738
Judicial Building Fund	1,730	-
Registry Fund	8	-
Civil Fund	-	5,076
Criminal Fund	-	1,881
Cash Bond	-	100
	<u>\$ 8,795</u>	<u>\$ 8,795</u>

5. CAPITAL ASSETS

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheet.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance 6/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/23</u>
Office equipment	\$ 209,756	\$ 2,943	\$ (0)	\$ 212,699
Accumulated Depreciation	<u>(186,016)</u>	<u>(5,176)</u>	<u>0</u>	<u>(191,192)</u>
Capital assets, net	<u>\$ 23,740</u>	<u>(2,233)</u>	<u>0</u>	<u>\$ 21,507</u>

Depreciation expense for the year ended June, 30, 2023 was \$5,176.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

6. COMPENSATED ABSENCES

The City Court of Bastrop's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of June 30, 2023, and thus, is not recognized in the accompanying financial statements.

7. ECONOMIC DEPENDENCY

All revenues of the City Court of Bastrop are derived from criminal and civil cases filed in the court system. Decrease in activity of the City Court could result from declining population or a change in state law that could affect the ability of a municipal court to oversee civil and criminal cases.

8. PENSION PLANS

The employees of the City Court of Bastrop are provided with benefits through the following multiple-employer cost-sharing plans:

- Municipal Employees' Retirement System (Plan A) ("MERS") provides retirement benefits to employees of all incorporated villages, towns and cities within the state which did not have their own retirement system and which elected to become members of the system. The Court had five employees during the year ended June 30, 2023, four of which were eligible for participation in the Plan.
- Louisiana State Employees' Retirements System (LASERS), provides defined benefit plans for various categories of members including judges and court officers. The Court had five employees during the year ended June 30, 2023, one of which was eligible for participation in the Plan. The Plan was established under the provisions of LA R.S. 11:401 for eligible state officers, employees, and their beneficiaries.

General Information about the Plans

Louisiana State Employees' Retirement System (LASERS)

All state employees, except those specifically excluded by statute, become members of the System's Defined Benefit Plan (DBP) as a condition of employment, unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials, including the Judge of the City Court of Bastrop, and officials appointed by the Governor may, at their option, become members of LASERS. Most members of the Plan may retire and receive benefits in accordance with the following:

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

- Any age with 30 or more years of creditable service
- Age 55 upon completing 25 years of creditable service
- Age 60 with a minimum of 10 years creditable service
- Any age with 20 years of creditable service with an actuarially reduced benefit
- At any age with 10 years or more of creditable service due to disability
- Survivor's benefits require 5 years of creditable service at death of member

The basic annual retirement benefit is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is the member's average annual compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired after July 1, 2006, average compensation is based on the average annual compensation for the highest 60 consecutive months of employment. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

The agency is contractually required composite contribution rate for the year ended June 30, 2023 was 44.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$40,029 for the year ended June 30, 2023.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2023, the Court reported a total of \$341,096 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term contributions to the plans relative to the projected

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

contributions of all participating employers, actuarially determined. The Court's proportion share of the Plan was .00451% for 2023 and .00439% for 2022.

The Court recognized pension expense in the statement of activities in the amount of \$74,211 for the year ended June 30, 2023.

The Court reported deferred outflows of resources and deferred inflows of resources related to the pension Plan as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in proportion	\$ 4,296	\$ 395
Changes in proportionate contributions	-0-	-0-
Changes in assumptions	6,202	-0-
Differences between expected and actual experience	930	-0-
Net difference between projected and actual earnings	27,474	-0-
Court contributions subsequent to the measurement date	<u>40,029</u>	<u>-0-</u>
 Total	 \$ <u>78,931</u>	 \$ <u>395</u>

The deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 in the amount of \$40,029. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2024	\$ 20,943
2025	5,677
2026	(6,947)
2027	18,834

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

Actuarial Assumptions

Inflation	2.30%
Salary increases	2.60% to 5.10%
Investment rate of return	7.25%
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	2 years

Mortality rates for LASERS were based on the on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Mortality rates for disabled members were based on the RP-2000 Disable Retiree Mortality Table, with no projection for mortality improvement.

The investment rates of return were determined based on expected cash flows which assume that contributions from Plan members will be made at current contribution rates and that contributions from the Court will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the investment rate of return on Plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the of the Court's proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the Court's proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the Court's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
\$ 429,198	\$ 341,096	\$ 260,759

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separate issued financial statements of the Plan. The Plan has a pension liability of \$7,559,741,805 and the net position as a percentage of total pension liability is 72.8%

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

Municipal Employees Retirement System (MERS)

The City Court of Bastrop began participating in the Municipal Employees Retirement System in March 2019. MERS membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for members, with exceptions outlined in the Louisiana Revised Statutes. City Court of Bastrop participates in Plan A and provides retirement benefits to any member of Plan A who was hired before January 1, 2013 meeting one of the following criteria:

- Any age with 25 or more years of creditable service
- Age 60 with a minimum of 10 years creditable service
- Any age with 5 years of creditable service for disability benefits
- Survivor's benefits require 5 years of creditable service at death of member
- Any age with 20 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

For members hired after January 1, 2013, benefits are provided to any member of Plan A meeting one of the following criteria:

- Age 67 with 7 or more years of creditable service
- Age 62 with 10 or more years of creditable service
- Age 55 with 30 or more years of creditable service
- Any age with 25 years of service, exclusive of military service and unused side leave, with an actuarially reduced early benefit.

Generally, the monthly retirement allowance for any member of Plan A consists of an amount equal to 3% of the member's monthly average final compensation times years of creditable service. Survivor, death and disability benefits are also provided under the plan.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

For the year ended June 30, 2023, the actual employer contribution rate was 29.5%, determined actuarially. According to state statute, the contribution requirements for all employers are actuarially determined each year.

The Plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from non-employer contributing entities, but are not considered as special funding situations.

The estimated real rate of return for each major asset class is as follows:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Public fixed income	38%	1.65%
Public equity	53%	2.31%
Alternatives	<u>9%</u>	<u>0.39%</u>
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u>6.95%</u>

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2023, the Court reported a total of \$95,828 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The Court's proportionate share of the Plan was .02307% for 2023 and .02618% for 2022.

The Court recognized pension expense in the statement of activities in the amount of \$11,726 for the year ended June 30, 2023.

The Court reported deferred outflows of resources and deferred inflows of resources related to the pension Plan as follows:

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in proportion	\$ 1,430	\$ 14,929
Changes in assumptions	928	-0-
Differences between expected and actual experience	113	367
Net difference between projected and actual earnings	15,946	-0-
Court contributions subsequent to the measurement date	<u>13,027</u>	<u>-0-</u>
Total	<u>\$ 31,444</u>	<u>\$ 15,296</u>

The deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 in the amount of \$13,027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2022	\$ (5,962)
2023	(89)
2024	1,526
2025	7,646

Actuarial Assumptions

Inflation	2.5%
Salary increases	4.5% to 7.4%
Investment rate of return	6.85%
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	3 years

Mortality rates for MERS were based on the PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employees, PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales for annuitant and beneficiary

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

mortality, and PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale for disabled lives mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Sensitivity of the of the Court’s proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the Court’s proportionate shares of the net pension liabilities of the Plan, calculated using the discount rates as shown above, as well as what the Court’s proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
\$ 127,469	\$ 95,828	\$ 69,091

Pension plan fiduciary net position:

Detailed information about the Plan’s fiduciary net position is available in the separate issued financial statements of the Plan.

9. LEASE COMMITMENTS

Postage Machine Lease

The Court entered into a lease agreement with Pitney Bowes to lease certain office equipment commencing July 1, 2021. The minimum lease payment is \$31 per month for 60 months.

The Court recognized a right of use asset and lease liability in the amount of \$1,328 as of July 1, 2022. A discount rate of 6% was used to determine the present value of future expected lease payments.

Interest expense on the lease in the amount of \$71 was recognized as an outflow. The related right of use asset of \$996 and lease liability of \$1,025 are recognized on the Statement of Net Postion.

**City Court of Bastrop
Notes to Financial Statements**

June 30, 2023

Copier Lease

The Court entered into a lease agreement with Kyocera to lease certain office equipment commencing April 1, 2021. The minimum lease payment is \$159 per month for 60 months.

The Court recognized a right of use asset and lease liability in the amount of \$5,865 as of July 1, 2022. A discount rate of 6% was used to determine the present value of future expected lease payments.

Interest expense on the lease in the amount of \$309 was recognized as an outflow. The related right of use asset of \$4,149 and lease liability of \$4,271 are recognized on the Statement of Net Position.

Right of use asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Office equipment	\$ -0-	\$ 7,193	\$ -0-	\$ 7,193
Accumulated Amortization	<u>-0-</u>	<u>(2,049)</u>	<u>-0-</u>	<u>(2,049)</u>
Right of use assets, net	<u>\$ -0-</u>	<u>\$ 5,144</u>	<u>\$ -0-</u>	<u>\$ 5,144</u>

Under the terms of the leases at June 30, 2023, future minimum lease payments are as follows:

2024	\$ 2,014
2025	2,138
2026	1,143

10. ON-BEHALF PAYMENTS

Employees receive payments directly from the City of Bastrop for salaries, payroll taxes, health insurance, and retirement plan contributions. On-behalf payments made by the City of Bastrop during the year ended June 30, 2023 were \$182,452.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON

PENSION INFORMATION

**Budgetary Comparison Schedule
All Governmental Fund Types
City Court of Bastrop
For the year ended June 30, 2023**

	GENERAL FUND				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:								
Cert Mail Fees	\$ 1,710	\$ 2,348	\$ 2,348	\$ -	\$ -	\$ -	\$ -	\$ -
Scanning Fees	2,360	2,320	2,320	-	-	-	-	-
Art Income	18,000	13,681	13,681	-	-	-	-	-
BCC - Court Cost	80,000	142,831	142,831	-	-	-	-	-
Bond Forfeiture Income	3,000	7,816	7,816	-	-	-	-	-
Miscellaneous	554	199	233	34	-	-	-	-
Diversion Income	28,950	37,087	37,087	-	-	-	-	-
Department of Public Safety	663	438	438	-	-	-	-	-
JBF Civil	-	-	-	-	4,710	4,630	4,630	-
JBF Criminal	-	-	-	-	5,377	11,380	11,380	-
Probation Income	19,000	14,261	14,261	-	-	-	-	-
Grant Income	-	-	-	-	21,785	21,785	2,891	(18,894)
Interest	62	209	1,969	1,760	10	27	27	-
Total revenues	<u>154,299</u>	<u>221,190</u>	<u>222,984</u>	<u>1,794</u>	<u>31,882</u>	<u>37,822</u>	<u>18,928</u>	<u>(18,894)</u>
Expenditures:								
Accounting	-	-	-	-	-	-	-	-
Ad hoc Fees	2,127	2,320	2,320	-	-	-	-	-
Audit Fees	8,300	8,500	8,500	-	-	-	-	-
Bank Supplies	-	417	1,045	(628)	-	-	-	-
Bonds Fees	-	-	1,252	(1,252)	-	-	-	-
Computer Expenses	2,627	2,086	2,811	(725)	3,450	22,580	8,782	13,798
Conferences and Seminars	10,162	10,018	10,018	-	-	-	-	-
Copier	-	-	-	-	1,905	1,586	1,744	(158)
Court Reporter	625	490	490	-	-	-	-	-
Dues	1,005	1,180	1,180	-	-	-	-	-
Image	-	-	-	-	-	-	-	-
Retirement	37,825	40,029	53,057	(13,028)	-	-	-	-
Law library	15,576	15,738	15,738	-	-	50	50	-
Miscellaneous	66	-	-	-	-	-	-	-
Office Expense	4,065	6,943	1,000	5,943	-	-	-	-
Payroll Expenses	60,566	60,566	47,538	13,028	-	-	-	-
Per Judge	3,270	3,025	3,025	-	-	-	-	-
Postage	1,849	3,000	3,000	-	-	-	-	-
Postal meter	-	-	-	-	374	374	374	-
Police Witness	-	-	-	-	-	-	-	-
Shredding	-	150	150	-	-	450	450	-
Supplies	-	-	5,976	(5,976)	-	-	-	-
Capital Outlay	-	-	-	-	-	-	2,943	(2,943)
Total expenditures	<u>148,063</u>	<u>154,462</u>	<u>157,100</u>	<u>(2,638)</u>	<u>5,729</u>	<u>25,040</u>	<u>14,343</u>	<u>10,697</u>
Excess (deficiency) of revenues over expenditures	6,236	66,728	65,884	(844)	26,153	12,782	4,585	(8,197)
Other financing sources (uses)								
Transfers	-	-	-	-	-	-	-	-
Fund balances, beginning	<u>132,177</u>	<u>132,177</u>	<u>132,177</u>	<u>-</u>	<u>18,129</u>	<u>18,129</u>	<u>18,129</u>	<u>-</u>
Fund balances, ending	<u>\$ 138,413</u>	<u>\$ 198,905</u>	<u>\$ 198,061</u>	<u>\$ (844)</u>	<u>\$ 44,282</u>	<u>\$ 30,911</u>	<u>\$ 22,714</u>	<u>\$ (8,197)</u>

Note A - Explanation of difference between Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Page 11) and Budgetary Comparison Schedule (Page 33).

Revenues

Actual (budgetary basis) revenues from the budgetary comparison schedule	\$ 222,984
Adjustments:	
The City Court of Bastrop does not budget for on-behalf support provided by the City of Bastrop	<u>182,452</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 405,436</u>

Expenditures

Actual (budgetary basis) expenditures from the budgetary comparison schedule	157,100
Adjustments:	
The City Court of Bastrop does not budget for on-behalf support provided by the City of Bastrop	<u>182,452</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 339,552</u>

The accompanying notes are an integral part of the financial statements.

City Court of Bastrop
Schedules of Required Supplementary Information - Pension
For the year ended June 30, 2023

Schedule of the Employer's Proportionate Share of the Net Pension Liability **Schedule 1**

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2023	0.00451%	\$ 341,096	\$ 89,351	382%	72.8%
2022	0.34990%	\$ 332,041	\$ 84,118	395%	53.1%
2021	0.38320%	\$ 316,932	\$ 82,582	384%	62.9%
2020	0.41650%	\$ 301,823	\$ 81,046	372%	62.9%
2019	0.42940%	\$ 292,916	\$ 78,881	371%	64.3%
2018	0.42740%	\$ 300,840	\$ 79,221	380%	62.5%
2017	0.41410%	\$ 325,174	\$ 74,168	438%	57.7%
2016	0.39580%	\$ 269,204	\$ 74,563	361%	62.7%
2015	0.41088%	\$ 256,931	\$ 73,226	351%	65.0%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

*This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

Schedule of Employer Contributions **Schedule 2**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2023	\$ 40,029	\$ 40,029	\$ -	\$ 89,351	44.8%
2022	\$ 35,831	\$ 35,831	\$ -	\$ 84,118	42.6%
2021	\$ 35,097	\$ 35,097	\$ -	\$ 82,582	42.5%
2020	\$ 34,363	\$ 34,363	\$ -	\$ 81,046	42.4%
2019	\$ 31,631	\$ 31,631	\$ -	\$ 78,881	40.1%
2018	\$ 38,777	\$ 38,777	\$ -	\$ 79,221	48.9%
2017	\$ 28,184	\$ 28,184	\$ -	\$ 74,168	38.0%
2016	\$ 28,002	\$ 28,002	\$ -	\$ 74,563	37.6%
2015	\$ 30,389	\$ 30,389	\$ -	\$ 73,226	41.5%

*Amounts presented were determined as of the end of the fiscal year.

*This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2023.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2023.

City Court of Bastrop
Schedules of Required Supplementary Information - Pension
For the year ended June 30, 2023

Schedule of the Employer's Proportionate Share of the Net Pension Liability **Schedule 3**

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
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Municipal Employee Retirement System

2023	0.02307%	\$ 95,828	\$ 44,160	217%	67.9%
2022	0.02618%	\$ 72,820	\$ 44,220	165%	77.8%
2021	0.03183%	\$ 137,618	\$ 51,840	265%	64.5%
2020	0.02740%	\$ 114,479	\$ 60,840	188%	66.1%
2019	0.02307%	\$ 102,594	\$ 50,715	202%	63.9%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

*This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

Schedule of Employer Contributions **Schedule 4**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
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Municipal Employee Retirement System

2023	\$ 13,027	\$ 13,027	\$ -	\$ 44,160	29.5%
2022	\$ 13,045	\$ 13,045	\$ -	\$ 44,220	29.5%
2021	\$ 15,293	\$ 15,293	\$ -	\$ 51,840	29.5%
2020	\$ 16,883	\$ 16,883	\$ -	\$ 60,840	27.7%
2019	\$ 13,186	\$ 13,186	\$ -	\$ 50,715	26.0%

*Amounts presented were determined as of the end of the fiscal year.

*This schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2023.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2023.

City Court of Bastrop
Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
For the year ended June 30, 2023

Agency Head Honorable Judge Phillip Lester

Salary	\$ 167,649
Retirement	75,107
Conferences, travel, & lodging	<u>5,781</u>
Total	\$ <u>248,537</u>

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	City Court of Bastrop	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2098	
Date that reporting period ended (mm/dd/yyyy)	June 30, 2023	
	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 06/30/2023
Cash Basis Presentation		
1. Beginning Balance of Amounts Collected (i.e. cash on hand)	232,555	230,260
2. Add: Collections		
a Civil Fees (including refundable amounts such as garnishments or advance deposits)	81,018	71,166
b Bond Fees	816	4,850
c Asset Forfeiture/Sale	-	-
d Pre-Trial Diversion Program Fees	-	-
e Criminal Court Costs/Fees	204,845	234,930
f Criminal Fines - Contempt	-	-
g Criminal Fines - Other	-	-
h Restitution	-	-
i Probation/Parole/Supervision Fees	-	-
j Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
k Interest Earnings on Collected Balances	111	115
l Other (do not include collections that fit into more specific categories above)	-	-
m Subtotal Collections	286,790	311,061
3. Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
LA Judicial College - Civil Fees	117	106
Caldwell Parish Sheriff- Civil Fees	67	-
East Baton Rouge Parish Sheriff - Civil Fees	894	178
East Carroll Parish Sheriff - Civil Fees	97	-
Jefferson Parish Sheriff - Civil Fees	90	30

<i>Lafayette Parish Sheriff - Civil Fees</i>	33	34
<i>Lincoln Parish Sheriff - Civil Fees</i>	-	33
<i>Madison Parish Sheriff - Civil Fees</i>	90	97
<i>Monroe City Marshal - Civil Fees</i>	120	30
<i>Morehouse Parish Sheriff - Civil Fees</i>	770	720
<i>Ouachita Parish Sheriff - Civil Fees</i>	773	509
<i>Richland Parish Sheriff - Civil Fees</i>	120	30
<i>Shreveport City Marshal - Civil Fees</i>	30	-
<i>St. Tammany Parish - Civil Fees</i>	80	-
<i>Union Parish Sheriff - Civil Fees</i>	126	205
<i>West Carroll Parish Sheriff - Civil Fees</i>	185	176
<i>West Monroe City Marshal - Civil Fees</i>	20	-
<i>North LA Criminalistics Lab - Court Costs</i>	14,659	17,949
<i>Judicial Building Fund - Court Costs</i>	4,980	6,400
<i>City of Bastrop - Court Costs</i>	41,500	48,980
<i>Bastrop Police - Court Costs (Bond Forfeiture)</i>	4,148	2,279
<i>Marshal's Fund - Court Costs</i>	13,740	17,735
<i>Crimestoppers - Court Costs</i>	956	1,205
<i>LA Judicial College - Court Costs</i>	249	318
<i>Fourth District Indigent Defender Board - Court Costs</i>	25,627	29,544
<i>DHH-TH/SCI TF - Court Costs</i>	617	520
<i>LA Commission on Law Enforcement - Court Costs</i>	1,302	1,526
<i>Treasurer, State of Louisiana - Court Costs</i>	1,428	1,806
<i>Louisiana State Police - Court Costs</i>	91	-

4. Less: Amounts Retained by Collecting Agency

a Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
b Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
c Amounts "Self-Disbursed" to Collecting Agency (<i>must include a separate line for each collection type, as applicable</i>) - Example: Criminal Fines - Other (<i>Additional rows may be added as necessary</i>)	-	-
<i>City Court of Bastrop - Civil Fees</i>	68,879	50,097
<i>City Court of Bastrop - Criminal Fees</i>	79,885	148,670

5. Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies

a Civil Fee Refunds	11,107	1,780
b Bond Fee Refunds	816	2,100
c Restitution Payments to Individuals (additional detail is not required)	-	-

d	Other Disbursements to Individuals (additional detail is not required)	15,489	12,829
e	Payments to 3rd Party Collection/Processing Agencies	-	-
6.	Subtotal Disbursements/Retainage	289,085	345,886
7.	Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	230,260	195,435
8.	Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-
9. Other Information:			
a	Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
b	Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-



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**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Honorable Judge Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Bastrop, as of and for the year ended June 30, 2023, and have issued our report thereon dated September 29, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City Court of Bastrop's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City Court of Bastrop's internal control. Accordingly, we do not express an opinion on the effectiveness of City Court of Bastrop's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the findings described in

the accompanying schedule of findings and questioned costs to be a material weakness listed as items 2023-001, 2023-002, and 2023-003 to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether City Court of Bastrop's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is listed as item 2023-004.

City Court of Bastrop's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. We did not audit City Court of Bastrop's response and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing and internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

September 29, 2023

City Court of Bastrop
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Section I – Summary of Auditor’s Report

1. The auditor’s report expresses an unqualified opinion on the basic financial statements of the City Court of Bastrop.
2. Three material weaknesses disclosed during the audit of the basic financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Section II – Financial Statement Findings

Finding 2023-001

Statement of condition – The City Court of Bastrop does not have adequate segregation of duties within the administrative office.

Criteria – A system of internal control procedures requires a segregation of duties so no individual handles a transaction from start to finish.

Effect on condition – A lack of oversight which could lead to improperly recorded transactions.

Cause of condition – There is a small number of personnel employed by the City Court of Bastrop.

Recommendation – The City Court of Bastrop should monitor the assignment of duties to ensure as much segregation of duties as possible.

Questioned costs – None

Finding 2023-002

Statement of condition – The City Court of Bastrop does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Criteria – A reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Effect of condition – The City Court of Bastrop needed assistance in preparing the annual financial statements.

Cause of condition – There was no written job description available to ensure hiring of staff that have appropriate training in applying generally accepted accounting principles.

City Court of Bastrop
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Recommendation – The City Court of Bastrop should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Questioned costs – None

Finding 2023-003

Statement of condition – The City Court of Bastrop did not have bank reconciliations completed for the Registry Fund.

Criteria – Bank accounts should be reconciled in a timely manner.

Effect of condition – Failure to reconcile cash accounts can result in undetected misappropriation of assets, cash overdrafts, and misstatements in the financial statements.

Cause of condition – The City Court of Bastrop was not in compliance with procedures.

Recommendation – The City Court of Bastrop should reconcile all bank accounts in a timely manner.

Questioned costs – None

Finding 2023-004

Statement of condition – The Judicial Building Fund budget shows a greater than 5% variance in revenues.

Criteria – Budgeted revenues exceed the amounts received by more than 5%.

Effect of condition – The City Court of Bastrop was not in compliance with Louisiana budget law.

Cause of condition – The budget was not amended to reflect the decrease in expected revenues.

Recommendation – The City Court of Bastrop should monitor revenues to ensure that Louisiana Budget Law is followed.

Questioned costs – None

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.

**City Court of Bastrop
Bastrop, Louisiana**

Year Ended June 30, 2023

Management's Corrective Action Plan

The City Court of Bastrop respectfully submits the following corrective action plan for the year ended June 30, 2023.

Name and address of contact person: Judge Phillip Lester, City Court of Bastrop Judge, 202 E. Jefferson Avenue, Bastrop, LA 71220

Name and address of independent public accounting firm: Oestrieher & Company, CPAs, 4641 Windermere Place, Alexandria, LA 71303

Audit period: July 1, 2022 through June 30, 2023

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule. The Summary of Audit Results does not include findings and is not addressed.

Findings – Financial Statement Audit

Finding 2023-001

Condition: The City Court of Bastrop does not have adequate segregation of duties within the administrative office.

Recommendation: The City Court of Bastrop should monitor the assignment of duties to ensure as much segregation of duties as possible.

Response: The City Court of Bastrop does not consider the cost of hiring additional personnel as exceeding any benefit. Duties will be segregated as much as possible, with oversight from the Judge.

Finding 2023-002

Condition: The City Court of Bastrop does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Recommendation: The City Court of Bastrop should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

**City Court of Bastrop
Bastrop, Louisiana**

Year Ended June 30, 2023

Management's Corrective Action Plan

Response: While management understands the nature of the finding and the necessity of personnel with qualifications that are higher than our current job descriptions, the benefits of hiring personnel with increased qualifications do not outweigh the costs.

Finding 2023-003

Condition: The City Court of Bastrop did not have bank reconciliations completed for the Registry Fund.

Recommendation: The City Court of Bastrop should reconcile all bank accounts in a timely manner.

Response: The City Court of Bastrop will ensure that all bank accounts are reconciled in a timely manner in accordance with court policies.

Finding 2023-004

Condition: The Judicial Building Fund budget shows a greater than 5% variance in revenues.

Recommendation: The City Court of Bastrop should monitor revenues to ensure that Louisiana Budget Law is followed.

Response: The City Court of Bastrop will monitor and compare actual revenues to the budget and amend the budget when necessary.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the **Honorable Phillip Lester** and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **July 1, 2022 through June 30, 2023**. **Honorable Phillip Lester's** management is responsible for those C/C areas identified in the SAUPs.

Honorable Phillip Lester has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **July 1, 2022 through June 30, 2023**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Finding: No exceptions noted
 - b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Finding: No exceptions noted

- c) **Disbursements**, including processing, reviewing, and approving.
Finding: No exceptions noted
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Finding: No exceptions noted
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Finding: No exceptions noted
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Finding: No exceptions noted
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Finding: No exceptions noted
- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Finding: No exceptions noted
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Finding: No exceptions noted
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Finding: No debt service agreements

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Finding: No exceptions noted

- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Finding: No exceptions noted

2) Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Finding: The City Court of Bastrop does not have a board or finance committee.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Finding: The City Court of Bastrop does not have a board or finance committee.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Finding: The City Court of Bastrop does not have a board or finance committee.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Finding: The City Court of Bastrop does not have a board or finance committee.

3) Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Finding: Of the five items selected for testing, one bank reconciliation was not prepared within two months of the statement closing date.

Management's Response: In the future management will prepare bank reconciliations within two months of the statement closing date.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Finding: Of the five items selected for testing, one account was approved by a member of management who does handle cash or post ledgers.

Management's Response: In the future, the Judge will review and initial all bank reconciliations.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Finding: No exceptions noted

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Finding: No exceptions noted

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
Finding: No exceptions noted
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
Finding: No exceptions noted
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
Finding: No exceptions noted
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
Finding: No exceptions noted
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
Finding: No exceptions noted
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
Finding: No exceptions noted
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding: No exceptions noted

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Finding: No exceptions noted

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Finding: No exceptions noted

- v. Trace the actual deposit per the bank statement to the general ledger.

Finding: No exceptions noted

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Finding: No exceptions noted

- 9. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Finding: No exceptions noted

- ii. At least two employees are involved in processing and approving payments to vendors;

Finding: No exceptions noted

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Finding: No exceptions noted

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Finding: The employee responsible for processing payments also mails the signed checks.

Management's Response: The City Court of Bastrop does not have adequate segregation of duties due to the low number of employees. Management does not consider the cost of hiring additional personnel as exceeding the benefit. Duties will be segregated as much as possible, with oversight from the Judge.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Finding: No exceptions noted

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- 10. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Finding: No exceptions needed

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Finding: The disbursements tested lacked evidence of segregation of duties.

Management's Response: The City Court of Bastrop does not have adequate segregation of duties due to the low number of employees. Management does not consider the cost of hiring additional personnel as exceeding the benefit. Duties will be segregated as much as possible, with oversight from the Judge.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Finding: All disbursements were approved by only those persons authorized to disburse funds per the entity's policy. Some of the disbursements tested were not approved by the required number of authorized signers per the entity's policy.

Management's Response: In the future, disbursements will be approved by the required number of authorized signers per the entity's policy.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Finding: No exceptions noted

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Finding: There is no written evidence that the monthly statement and supporting documentation were reviewed and approved.

Management's Response: In the future, monthly statements will be approved by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Finding: No exceptions noted

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe

whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Finding: No exceptions noted

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Finding: No exceptions noted

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Finding: No exceptions noted

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Finding: No exceptions noted

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Finding: No exceptions noted

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Finding: No exceptions noted

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Finding: No exceptions noted

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Finding: No exceptions noted

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Finding: No exceptions noted

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Finding: No exceptions noted

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Finding: No exceptions noted

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Finding: No exceptions noted

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Finding: No exceptions noted

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Finding: No exceptions noted

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Finding: No exceptions noted

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Finding: No exceptions noted

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Finding: No exceptions noted

- b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Finding: No exceptions noted

23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Finding: No exceptions noted

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Finding: The City Court of Bastrop does not have debt.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Finding: The City Court of Bastrop does not have debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Finding: No exceptions noted

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Finding: No exceptions noted

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Finding: We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Finding: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Finding: We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Finding: No terminated employees

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Finding: No exceptions noted

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Finding: No exceptions noted

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Finding: No exceptions noted

- ii. Number of sexual harassment complaints received by the agency;
Finding: No exceptions noted
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
Finding: No exceptions noted
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
Finding: No exceptions noted
- v. Amount of time it took to resolve each complaint.
Finding: No exceptions noted

We were engaged by **Honorable Phillip Lester** to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of **Honorable Phillip Lester** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Oestriecker & Company

OESTRIECKER & COMPANY
Certified Public Accountants
Alexandria, LA

September 29, 2023