

CITY COURT OF BASTROP
Bastrop, Louisiana

Financial Statements
For the Year Ended June 30, 2024

**CITY COURT OF BASTROP
BASTROP, LOUISIANA**

INDEX

	<u>Statement</u>	
Independent Auditor’s Report		1-4
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements:		
Statement of Net Position	A	5
Statement of Activities	B	6
Fund Financial Statements:		
Balance Sheet	C	7
Reconciliation of the Governmental Funds Balance Sheet to The Statement of Net Position	D	8
Statement of Revenues, Expenditures and Changes in Fund Balances	E	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to The Statement of Activities	F	10
Fiduciary Funds:		
Statement of Fiduciary Net Position	G	11
Statement of Changes in Fiduciary Net Position	H	12
Notes to the Financial Statements		13-33
REQUIRED SUPPLEMENTARY INFORMATION		
	<u>Schedule</u>	
Budget Comparison Schedules		
General Fund	I	34-35
Schedules of Proportionate Share of the Net Pension Liability and Schedules of Employer Contributions to Pension Plan - LASERS	II	36
Schedules of Proportionate Share of the Net Pension Liability and Schedules of Employer Contributions to Pension Plan – MERS	III	37
Notes to Budgetary Comparison Schedules	IV	38

**CITY COURT OF BASTROP
BASTROP, LOUISIANA**

INDEX

Schedule

SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	V	39
Judicial System Funding Schedules	VI	40

**OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND
BY OFFICE OF MANAGEMENT AND BUDGET *UNIFORM GUIDANCE***

Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		41-42
Schedule of Findings and Questioned Costs		43-44
Schedule of Prior Year Findings		45-46
Independent Accountant's Report on Applying Agreed Upon Procedures		47-56

INDEPENDENT AUDITORS' REPORT

The Honorable Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of the City Court of Bastrop, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Court'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 of the City Court of Bastrop, as of June 30, 2024, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

The Honorable Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

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 auditors' 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 and *Government 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 of the effectiveness of the Court'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 my 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.

The Honorable Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such 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.

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 the 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 assurances.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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 the 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.

Other Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head and the Justice System Funding Reporting Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Schedule of Compensation, Benefits and Other Payments to Agency Head and Justice System Funding Reporting Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 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 solely 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 the effectiveness of the Bastrop City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Bastrop City Court's internal control over financial reporting and compliance.

David M. Aard, CPA (APAC)

West Monroe, Louisiana
October 30, 2024

BASIC FINANCIAL STATEMENTS

CITY COURT OF BASTROP
BASTROP, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 303,288
Capital Assets:	
Depreciable	16,397
Total Assets	<u>319,685</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to Pensions	<u>73,720</u>
<u>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>\$ 393,405</u>
<u>LIABILITIES</u>	
Accounts Payable	689
Due To Fiduciary Funds	57
Other Liabilities	7,192
Non-Current Liabilities	
Net Pension Liability	386,061
Total Liabilities	<u>393,999</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to Pensions	<u>9,074</u>
<u>TOTAL INFLOWS OF RESOURCES AND LIABILITIES</u>	403,073
<u>NET POSITION</u>	
Net Investment in Capital Assets	16,397
Restricted Net Position	23,562
Unrestricted, Unreserved	<u>(49,627)</u>
<u>TOTAL NET POSITION</u>	<u>\$ (9,668)</u>

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BASTROP
BASTROP, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Function/Program Activities					
Governmental Activities:					
General Fund	\$ 366,052	\$ 268,698	\$ 197,546	\$ -	\$ 100,192
Judicial Building Fund	11,722	-	-	-	(11,722)
Total Governmental Activities	\$ 377,774	\$ 268,698	\$ 197,546	\$ -	\$ 88,470
		General Revenues:			
			Interest Income		1,820
			Transfer In		-
			Total General Revenues		1,820
			Changes in Net Position		90,290
			Net Position - Beginning		(99,958)
			Net Position - Ending		\$ (9,668)

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BASTROP
BASTROP, LOUISIANA

GENERAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	Programs of the General Fund		Total General Fund
	General Fund	Judicial Building Fund	
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ 277,946	\$ 25,342	\$ 303,288
Due From Other Funds	1,730	-	1,730
<u>TOTAL ASSETS</u>	<u>\$ 279,676</u>	<u>\$ 25,342</u>	<u>\$ 305,018</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 639	\$ 50	\$ 689
Payroll Taxes Payable	57	-	57
Due To Other Funds	7,192	1,730	8,922
Total Current Liabilities	7,888	1,780	9,668
 <u>FUND BALANCE</u>			
Restricted	-	23,562	23,562
Unassigned	271,788	-	271,788
Total Fund Balance	271,788	23,562	295,350
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 279,676</u>	 <u>\$ 25,342</u>	 <u>\$ 305,018</u>

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

CITY COURT OF BASTROP
BASTROP, LOUISIANA

GENERAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GENERAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - General Funds	\$ 295,350
Capital assets of \$212,699 net of accumulated depreciation of \$196,302, are not financial resources and, therefore, are not reported in the funds.	16,397
Pension liability not reported in the fund financial statements.	(386,061)
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.	73,720
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.	(9,074)
Net Position of Governmental Activities	<u>\$ (9,668)</u>

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

CITY COURT OF BASTROP
BASTROP, LOUISIANA

GENERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2024

	Programs of the General Fund		Total General Fund
	General Fund	Judicial Building Fund	
<u>Revenues</u>			
Article Income	\$ 59,552	\$ -	\$ 59,552
Court Costs	130,204	12,570	142,774
Diversion Income	42,364	-	42,364
Probation Income	12,139	-	12,139
Grant Income	-	-	-
On-Behalf Payments	197,546	-	197,546
Other Revenue	11,869	-	11,869
Interest Income	1,820	-	1,820
Total Revenues	<u>455,494</u>	<u>12,570</u>	<u>468,064</u>
<u>Expenditures</u>			
General Fund	381,767	-	381,767
Judicial Building Fund	-	11,722	11,722
Capital Outlay	-	-	-
Total Expenditures	<u>381,767</u>	<u>11,722</u>	<u>393,489</u>
<u>Excess of Revenues Over</u> <u>Expenditures</u>	73,727	848	74,575
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess of Revenues and Other</u> <u>Financing Sources Over</u> <u>Expenditures and Other</u> <u>Financing Uses</u>	73,727	848	74,575
<u>Fund Balance at Beginning of Year</u>	<u>198,061</u>	<u>22,714</u>	<u>220,775</u>
<u>FUND BALANCE AT</u> <u>END OF YEAR</u>	<u>\$ 271,788</u>	<u>\$ 23,562</u>	<u>\$ 295,350</u>

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

CITY COURT OF BASTROP
BASTROP, LOUISIANA

GENERAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GENERAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total General Funds	\$	74,575
<p>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</p>		
Capital expenditures	\$	-
Depreciation expense	(5,110)	(5,110)
<p>Differences between the amounts reported as an expense in the statement of activities and those reported as an expense in the fund financial statements</p>		
Pension expense		20,825
Change in Net Assets of Governmental Activities	\$	90,290

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

CITY COURT OF BASTROP
BASTROP, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 229,498
Investments, at Cost	69,259
Due From Other Funds	<u>7,192</u>
Total Assets	<u>\$ 305,949</u>
<u>FIDUCIARY NET POSITION RESTRICTED FOR:</u>	
Bonds, Fines, and Court Costs Held for Future Disposition	\$ 224,911
Due To Others	<u>81,038</u>
Total Fiduciary Net Position	<u>\$ 305,949</u>

The accompanying notes are an integral part of this financial statement.

Statement H

CITY COURT OF BASTROP
BASTROP, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2024

	<u>Custodial Funds</u>
<u>Additions</u>	
Contributions	
Fines Collected	\$ 634,773
Bonds Collected	7,250
	<hr/>
Total Additions	642,023
	<hr/>
<u>Deductions</u>	
Fines Disbursed	\$ 601,655
Bonds Refunded	4,485
	<hr/>
Total Deductions	606,140
	<hr/>
Net Decrease in Fiduciary Net Position	35,883
Net Position, Beginning	45,155
	<hr/>
Net Position, Ending	\$ 81,038
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

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

June 30, 2024

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.

City Court of Bastrop
Notes to Financial Statements

June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other manifestations of 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.

City Court of Bastrop
Notes to Financial Statements

June 30, 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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).

City Court of Bastrop
Notes to Financial Statements

June 30, 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

"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.

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.

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

June 30, 2024

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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.

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

June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 \$282,786. This excess is secured by a collateral pledge by the bank.

As of June 30, 2024, the City Court of Bastrop has a certificate of deposit in the amount of \$69,259. 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, 2024

4. INTERFUND RECEIVABLES AND PAYABLES

A summary of the interfund receivables and payables by fund at June 30, 2024 is presented below:

	<u>Interfund Payables</u>	<u>Interfund Receivables</u>
General Fund	\$ 7,192	\$ 1,730
Judicial Building Fund	1,730	-
Registry Fund	-	-
Civil Fund	-	5,211
Criminal Fund	-	1,881
Cash Bond	-	100
	<u>\$ 8,922</u>	<u>\$ 8,922</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, 2024 was as follows:

	<u>Balance 6/30/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/24</u>
Office equipment	\$ 212,699	\$ -	\$ (0)	\$ 212,699
Accumulated Depreciation	(191,192)	(5,110)	0	(196,302)
Capital assets, net	<u>\$ 21,507</u>	<u>(5,110)</u>	<u>0</u>	<u>\$ 16,397</u>

Depreciation expense for the year ended June, 30, 2024 was \$5,110.

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

June 30, 2024

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, 2024, 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. 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, 2024 were \$197,546.

9. 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, 2024, four of which were eligible for participation in the Plan.
- Louisiana State Employees' Retirement 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, 2024, 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

City Court of Bastrop
Notes to Financial Statements

June 30, 2024

9. PENSION PLANS (continued)

Municipal Employees' Retirement System (MERS)

Plan Description

The City Court of Bastrop contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan A, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

Any member of Plan A who was hired before January 1, 2013, can retire providing the member meets on of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan A Tier 2 shall be eligible for retirement if he meets one of the following criteria:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

For the year ended June 30, 2024, the City Court of Bastrop's total payroll for all employees was \$138,427. Total covered payroll was \$44,950. Covered payroll refers to all compensation paid by the City Court of Bastrop to active employees covered by the Plan.

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

June 30, 2024

9. PENSION PLANS (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website www.mersla.com.

Contributions

Contributions for all members are established by statute. For the year ended June 30, 2024, member contributions were 10.00% of earnable compensation for Plan A. The contributions are deducted from the employee's wages or salary and remitted by the City Court of Bastrop to the System monthly.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2024, the actual employer contribution rate was 29.50% for Plan A, 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 accrued liability. The City Court of Bastrop's contributions to the System under Plan A for the year ending June 30, 2024, were \$13,260. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town reported a liability of \$80,301 for its proportionate share of the Net Pension Liability. 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 City Court of Bastrop's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.021971%, which was a decrease of 0.001102% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City Court of Bastrop recognized a system pension expense of \$11,041 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and current year contributions, which was (\$38,702). Total pension expense for the City Court of Bastrop for the year ended June 30, 2024, was (\$27,661).

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

June 30, 2024

9. PENSION PLANS (continued)

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	53	735
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan	9,228	-
Changes in employer's proportion of beginning net pension liability	-	6,142
Differences between employer and proportionate share of contributions	-	248
Subsequent measurement contributions	13,260	-
Total	22,541	7,125

The \$13,260 reported as deferred outflows of resources related to pensions resulting from the City Court of Bastrop's contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2025	(3,177)
2026	(774)
2027	6,694
2028	(587)

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

June 30, 2024

9. PENSION PLANS (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	3 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Salary increases, including inflation and merit increases	1 to 4 years of service – 7.4% More than 4 years of service – 4.9%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System’s target allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	15%	0.65%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.50%</u>
Expected arithmetic nominal return		<u>6.85%</u>

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

June 30, 2024

9. PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for the years ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes, and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City Court of Bastrop's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City Court of Bastrop's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the City Court of Bastrop's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate:

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Employer's proportionate share of net pension liability	<u>\$111,327</u>	<u>\$80,301</u>	<u>\$54,093</u>

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due on June 30, 2024. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.mersla.com.

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

June 30, 2024

9. PENSION PLANS (continued)

Louisiana State Employees' Retirement System (LASERS)

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 Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. 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.

Plan Description

Employees of City Court of Bastrop are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The LASERS rank-and-file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. 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.

City Court of Bastrop
Notes to Financial Statements

June 30, 2024

9. PENSION PLANS (continued)

As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members.

Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

2. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked.

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

June 30, 2024

9. PENSION PLANS (continued)

For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

City Court of Bastrop
Notes to Financial Statements

June 30, 2024

9. PENSION PLANS (continued)

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011, who was in state service at the time of death, must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit, regardless of when earned, in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2023 for the various plans follow:

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

June 30, 2024

9. PENSION PLANS (continued)

Plan	Plan Status	Employer Contribution Rate
Regular Employees hired before 7/01/06	Closed	39.50%
Regular Employees hired on or after 7/01/06	Closed	39.50%
Regular Employees hired on or after 1/01/11	Closed	39.50%
Regular Employees hired on or after 7/1/15	Open	39.50%

The City Court of Bastrop’s contractually required composite contribution rate for the year ended June 30, 2024 was 45.80% 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 City Court of Bastrop were \$42,812 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Employer reported a liability of \$305,760 for its proportionate share of the Net Pension Liability. 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 City Court of Bastrop’s proportion of the Net Pension Liability was based on a projection of the City Court of Bastrop’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the City Court of Bastrop’s proportion was 0.004568%, which was an increase of 0.000056% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the City Court of Bastrop recognized pension expense of \$46,031 plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contribution, which was (\$59,330). Total pension expense for the City Court of Bastrop for the year ended June 30, 2024 was (\$13,299).

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

June 30, 2024

9. PENSION PLANS (continued)

At June 30, 2024, the City Court of Bastrop reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	6,619	-
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	1,748	-
Changes in employer's portion of beginning net pension liability	-	-
Differences between employer contributions and proportionate share of employer contributions	-	1,949
Subsequent measurement contributions	42,812	-
Total	51,179	1,949

The \$42,812 reported as deferred outflows of resources related to pensions resulting from the City Court of Bastrop contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2025	6,409
2026	(11,042)
2027	15,060
2028	(4,008)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected remaining service lives	2 years
Investment Rate of Return	7.25%, per annum, net of investment expenses
Inflation rate	2.3%, per annum.
Mortality rates	Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females)

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

June 30, 2024

	<p>Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.</p> <p>Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>						
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.						
Salary increases	<p>Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.0%	12.8%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>					
Regular	3.0%	12.8%					
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.						

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates 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 of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.80 %
Domestic equity	4.45%
International equity	5.44%
Domestic fixed income	2.04%
International fixed income	5.33%
Alternative investments	8.19%
Totals	5.75%

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

June 30, 2024

9. PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the City Court of Bastrop’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City Court of Bastrop’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City Court of Bastrop’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer’s proportionate share of net pension liability	\$400,368	\$305,760	\$225,608

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at June 30, 2024. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2023 Comprehensive Annual Financial Report at www.lasersonline.org.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 30, 2024, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

CITY COURT OF BASTROP
BASTROP, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Certified Mail Fees	2,000	\$ 2,159	\$ 2,159	\$ -
Scanning Fees	2,000	1,820	1,820	-
Article Income	30,000	59,552	59,552	-
BCC - Court Costs	85,000	130,204	130,204	-
Bond Forfeiture Income	7,500	6,387	6,387	-
Miscellaneous	199	144	-	(144)
Diversion Income	35,000	42,364	42,364	-
Department of Public Safety	438	1,238	1,238	-
Probation Income	12,000	12,139	12,139	-
Other Revenue	209	-	2,085	2,085
Total Revenues	174,346	256,007	257,948	1,941
<u>Expenditures</u>				
Ad hoc Fees	2,320	3,066	3,066	-
Audit Fees	18,000	25,000	25,000	-
Bank Supplies	417	-	690	(690)
Bond Fees	-	-	15	(15)
Computer Expenses	-	-	3,139	(3,139)
Conferences and Seminars	10,018	7,475	6,469	1,006
Court Reporter	490	-	-	-
Dues	1,180	-	805	(805)
Retirement Expense	40,029	42,812	56,072	(13,260)
Law Library	15,738	15,959	15,959	-
Miscellaneous	-	-	-	-
Office Expense	6,943	6,301	26	6,275
Payroll Expense	60,566	61,649	58,550	3,099
PER Judge	3,025	3,025	3,025	-
Postage	3,000	3,000	3,021	(21)
Shredding	-	-	600	(600)
Supplies	-	-	7,784	(7,784)
Total Expenditures	161,726	168,287	184,221	(15,934)
<u>Excess of Revenues</u>				
Over Expenditures	12,620	87,720	73,727	17,875
<u>Other Financing Sources (Uses)</u>				
	-	-	-	-
<u>Net Change in Fund Balance</u>	12,620	87,720	73,727	17,875
<u>Fund Balance at Beginning of Year</u>	138,413	198,905	198,061	844
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 151,033</u>	<u>\$ 286,625</u>	<u>\$ 271,788</u>	<u>\$ 18,719</u>

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BASTROP
BASTROP, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
JBF Civil	4,630	\$ 3,630	\$ 3,630	\$ -
JBF Criminal	10,000	8,940	8,940	-
Grant Income	-	-	-	-
Other Revenue	27	-	-	-
Total Revenues	<u>14,657</u>	<u>12,570</u>	<u>12,570</u>	<u>-</u>
<u>Expenditures</u>				
Computer Expenses	5,646	6,230	9,415	(3,185)
Copier	1,586	1,840	1,932	(92)
Court Reporter	-	-	-	-
Law Library	50	-	-	-
Postage	374	374	375	(1)
Shredding	600	600	-	600
Capital Outlay	-	-	-	-
Total Expenditures	<u>8,256</u>	<u>9,044</u>	<u>11,722</u>	<u>(2,678)</u>
<u>Excess of Revenues</u>				
Over Expenditures	6,401	3,526	848	2,678
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<u>Net Change in Fund Balance</u>	6,401	3,526	848	2,678
<u>Fund Balance at Beginning of Year</u>	<u>44,282</u>	<u>30,911</u>	<u>22,714</u>	<u>8,197</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 50,683</u>	<u>\$ 34,437</u>	<u>\$ 23,562</u>	<u>\$ 10,875</u>

The accompanying notes are an integral part of this financial statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY - LASERS
FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.410880%	\$ 256,931	\$ 73,226	350.87%	62.70%
2015	0.395800%	\$ 269,204	\$ 74,563	361.04%	62.70%
2016	0.414100%	\$ 325,174	\$ 74,168	438.43%	57.70%
2017	0.427400%	\$ 300,840	\$ 79,221	379.75%	62.50%
2018	0.429400%	\$ 292,916	\$ 78,881	371.34%	64.30%
2019	0.416500%	\$ 301,823	\$ 81,046	372.41%	62.90%
2020	0.383200%	\$ 316,932	\$ 82,582	383.78%	58.00%
2021	0.349900%	\$ 332,041	\$ 84,118	394.73%	72.80%
2022	0.451000%	\$ 341,096	\$ 89,351	381.75%	63.70%
2023	0.004570%	\$ 305,760	\$ 93,477	327.10%	68.40%

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS - LASERS
FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2014	\$ 30,389	\$ 30,389	\$ -	\$ 73,226	41.50%
2015	\$ 28,002	\$ 28,002	\$ -	\$ 74,563	37.55%
2016	\$ 28,184	\$ 28,184	\$ -	\$ 74,168	38.00%
2017	\$ 38,777	\$ 38,777	\$ -	\$ 79,221	48.95%
2018	\$ 31,631	\$ 31,631	\$ -	\$ 78,881	40.10%
2019	\$ 34,363	\$ 34,363	\$ -	\$ 81,046	42.40%
2020	\$ 35,097	\$ 35,097	\$ -	\$ 81,046	43.31%
2021	\$ 35,097	\$ 35,097	\$ -	\$ 82,582	42.50%
2022	\$ 37,825	\$ 37,825	\$ -	\$ 84,118	44.97%
2023	\$ 37,825	\$ 37,825	\$ -	\$ 89,351	42.33%
2024	\$ 42,812	\$ 42,812	\$ -	\$ 93,477	45.80%

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

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

The accompanying notes are an integral part of this financial statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY - PAROCHIAL
FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.000000%	\$ -	\$ -	0.00%	73.99%
2015	0.000000%	\$ -	\$ -	0.00%	66.18%
2016	0.000000%	\$ -	\$ -	0.00%	63.34%
2017	0.000000%	\$ -	\$ -	0.00%	63.49%
2018	0.024780%	\$ 102,594	\$ -	0.00%	65.60%
2019	0.027400%	\$ 114,479	\$ 50,715	225.73%	66.14%
2020	0.031830%	\$ 137,618	\$ 60,840	226.20%	66.26%
2021	0.026180%	\$ 72,820	\$ 51,840	140.47%	79.14%
2022	0.023070%	\$ 95,828	\$ 44,220	216.71%	69.56%
2023	0.021970%	\$ 80,301	\$ 44,160	181.84%	73.25%

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PAROCHIAL
FOR THE YEAR ENDED JUNE 30, 2024

Fiscal Year	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency	Agency's covered payroll	Contributions as a percentage of covered payroll
2014	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2017	\$ -	\$ -	\$ -	\$ -	0.00%
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2019	\$ 13,186	\$ 13,186	\$ -	\$ 50,715	26.00%
2020	\$ 16,883	\$ 16,883	\$ -	\$ 60,840	27.75%
2021	\$ 15,293	\$ 15,293	\$ -	\$ 51,840	29.50%
2022	\$ 13,045	\$ 13,045	\$ -	\$ 44,220	29.50%
2023	\$ 13,027	\$ 13,027	\$ -	\$ 44,160	29.50%
2024	\$ 13,260	\$ 13,260	\$ -	\$ 44,950	29.50%

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

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

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BASTROP
BASTROP, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the City of Bastrop Court House during the month of June for comments from taxpayers. The budget is then legally adopted by the Court and amended during the year, as necessary. The budget is established and controlled by the Court at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

SUPPLEMENTARY INFORMATION

CITY COURT OF BASTROP
BASTROP, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2024

	Honorable Phillip Lester Judge
<i>Purpose:</i>	
Salary	\$ 173,688
Retirement	79,549
Conferences, Travel & Lodging	5,464
Total	\$ 258,701

**CITY COURT OF BASTROP
BASTROP, LOUISIANA**

**Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2023 Regular Legislative Session**

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Beginning Balance of Amounts Collected	230,260	195,435
Add: Collections		
Civil Fees	64,521	74,699
Bond Fees	1,698	7,689
Criminal Court Costs/Fees	196,370	296,719
Interest Earnings on Collected Balances	-	-
	262,589	379,107
Less: Disbursements to Governments		
LA Judicial College - Civil Fees	84	89
East Carroll Parish Sheriff - Civil Fees	1,039	1,380
Jefferson Parish Sheriff - Civil Fees	-	33
Caddo Parish Sheriff - Civil Fees	-	30
Tangipahoa Parish Sheriff - Civil Fees	-	174
Acadia Parish Sheriff - Civil Fees	-	57
Secretary of State	50	-
Morehouse Parish Clerk	210	105
Claiborne Parish Sheriff - Civil Fees	-	30
Lafayette Parish Sheriff - Civil Fees	34	34
Lincoln Parish Sheriff - Civil Fees	-	68
Monroe City Marshal - Civil Fees	-	60
Ouachita Parish Sheriff - Civil Fees	314	1,014
Richland Parish Sheriff - Civil Fees	30	30
St. Tammany Parish Sheriff - Civil Fees	80	-
West Carroll Parish Sheriff - Civil Fees	142	84
North LA Criminalistics Lab - Court Costs	12,210	11,910
Judicial Building Fund - Court Costs	4,590	4,350
City of Bastrop - Court Costs	42,074	56,376
Bastrop Police - Court Costs (Bond Forfeiture)	1,330	3,488
Marshal's Fund - Court Costs	12,381	11,658
Crimestoppers - Court Costs	842	836
LA Judicial College - Court Costs	228	215
Fourth District Indigent Defender Board - Court Costs	18,777	17,598
DHH-TH/SCI TF - Court Costs	450	345
LA Commission on Law Enforcement - Court Costs	966	867
Treasurer, State of Louisiana - Court Costs	1,257	1,266
	97,088	112,097
Less: Self Disbursed to Collecting Agency		
City Court of Bastrop - Civil Fees	1,824	2,155
City Court of Bastrop - Criminal Fees	92,836	147,928
City Court of Bastrop - Bond Forfeitures	1,698	8,270
	96,358	158,353
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	1,894	5,283
Bond Fee Refunds	1,486	3,000
	3,380	8,283
Subtotal Disbursements	196,826	278,733
Ending Balance of Amounts Collected but not Disbursed	\$ 296,023	\$ 295,809

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE

**Independent Auditors' 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***

The Honorable Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

We have audited in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Bastrop (A Governmental entity), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City Court of Bastrop's basic financial statements, and have issued our report thereon dated October 30, 2024.

Internal Control Over Financial Reporting

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

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-01 and 2024-02 that we consider to be material weaknesses.

The Honorable Phillip Lester
City Court of Bastrop
Bastrop, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Bastrop's financial statements are free from 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 no disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City Court of Bastrop's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City Court of Bastrop's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. City Court of Bastrop's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of 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 Office of the Louisiana Legislative Auditor as a public document.

David M. Sant, CPA (APAC)

West Monroe, Louisiana
October 30, 2024

CITY COURT OF BASTROP
Bastrop, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Honorable Judge Phillip Lester
City Court of Bastrop
Bastrop, Louisiana

We have audited the financial statements of the City Court of Bastrop, as of and for the year ended June 30, 2024, and have issued our report thereon dated October 30, 2024. 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. Our audit of the financial statements as of June 30, 2024, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards – N/A

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified Qualified

Disclaimer Adverse

Are there findings required to be reported in accordance with the Uniform Guidance,
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

CITY COURT OF BASTROP
Bastrop, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

2024-01 Segregation of Duties

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.

Management's response - The Court, 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.

2024-02 Skills, Knowledge and Experience

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.

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

Management's 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.

Section III - Management Letter

No management letter was issued.

CITY COURT OF BASTROP
Bastrop, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

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.

Action Taken – See current year finding 2024-01.

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.

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

Action Taken – See current year finding 2024-02.

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.

CITY COURT OF BASTROP
Bastrop, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Internal Control and Compliance Material to the Financial Statements (continued)

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.

Action Taken - Resolved

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.

Action Taken - Resolved

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judge Phillip Lester, City Court of Bastrop, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Honorable Judge Phillip Lester, City Court of Bastrop, Louisiana (the Court) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The Court's management is responsible for those C/C areas identified in the SAUPs.

Honorable Judge Phillip Lester, City Court of Bastrop, Louisiana 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, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not 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 related exceptions obtained are described in the attachment to this report.

We were engaged by the Honorable Judge Phillip Lester, City Court of Bastrop, Louisiana 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 the Honorable Judge Phillip Lester, City Court of Bastrop, Louisiana 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.

David M. Hartt, CPA (APPC)

West Monroe, Louisiana
October 30, 2024

1) Written Policies and Procedures

- A. 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:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***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).
 - v. ***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.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***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).
 - ix. ***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.
 - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***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.

- xii. ***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.

Exceptions

No exceptions noted in the above procedures.

2) Board or Finance Committee

- A. 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.
 - 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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.*
 - 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.
 - 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.

No board/finance committee minutes are kept.

3) Bank Reconciliations

- A. 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);
 - 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

- 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.

Exception

No exceptions noted in the above procedures.

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).
- 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;
 - 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;
 - 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
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 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.
- 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.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).

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

Exceptions

No exceptions noted in the above procedures.

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

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

[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.]

- C. 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
 - 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.

- D. 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.*

Exceptions

No exceptions noted in the above procedures.

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

Exceptions

No exceptions noted in the above procedures.

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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

No exceptions noted in the above procedures.

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;
 - 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);
 - 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
 - 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.

Exceptions

No exceptions noted in the above procedures.

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.
- 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);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 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.
- 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.

Exceptions

No exceptions noted in the above procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. 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
 - ii. 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Exceptions

No exceptions noted in the above procedures.

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.
- 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).

This section not applicable..

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.
- 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.

Exceptions

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.
 - 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.
 - 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.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management. No exceptions were noted.

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.
- 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).
- 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;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Exceptions

There were no exceptions noted in the above procedures.