

**CITY COURT OF BASTROP
BASTROP, LOUISIANA**

JUNE 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountant’s Review Report	1
Government-Wide Financial Statements	4
Statement of Net Position	5
Statement of Activities.....	6
Fund Financial Statements.....	7
Governmental Funds:	
Balance Sheet.....	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	11
Fiduciary Funds:	
Statement of Fiduciary Net Assets-Fiduciary Funds	12
Notes to the Financial Statements	13
Required Supplementary Information.....	28
Budgetary Comparison Schedule	29
Schedules of Required Supplementary Information - Pension.....	30
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	32
Schedule of Prior Year Findings.....	33
Independent Accountant’s Report on Applying Agreed-Upon Procedures	34
Management’s Corrective Action Plan.....	38
Signed Louisiana Attestation Questionnaire	39



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Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the City Court of Bastrop as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter Paragraphs

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information, and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on page 28 through page 31 be presented to supplement the basic financial statements:

Budgetary Comparison Schedule
Schedule of the Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to the Pension Plan

Such information, although not a required 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. This information is the responsibility of management. We have reviewed the information, and based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted the Management 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

December 21, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**City Court of Bastrop
Statement of Net Position
June 30, 2020**

	Governmental Activities
Assets	
Current assets	
Cash	\$ 91,473
Total current assets	91,473
Capital assets, net of accumulated depreciation	22,383
Total assets	113,856
DEFERRED OUTFLOWS OF RESOURCES	114,580
Liabilities	
Current liabilities	
Accounts payable	915
Due to fiduciary fund	1,474
Other liabilities	289
Total current liabilities	2,678
Long term liabilities	
Pension liability	416,302
Total liabilities	418,980
DEFERRED INFLOWS OF RESOURCES	12,749
Net Position	
Net investment in capital assets	22,383
Unrestricted net position	(249,535)
Restricted net position	23,859
Total net position	\$ (203,293)

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

**City Court of Bastrop
Statement of Activities
For The Year Ended June 30, 2020**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
GOVERNMENTAL ACTIVITIES					
Primary Government					
Governmental activities					
General fund	\$ 213,378	\$ 89,831	\$ -	\$ -	\$ (123,547)
Building fund	19,668	10,680	-	-	(8,988)
Total governmental activities	<u>233,046</u>	<u>100,511</u>	<u>-</u>	<u>-</u>	<u>(132,535)</u>
 Total primary government	<u>\$ 233,046</u>	<u>\$ 100,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (132,535)</u>
		General revenues and transfers			
		Interest and investment earnings		1,171	
		Transfers from agency funds		91,421	
		Total general revenues and transfers		<u>92,592</u>	
		Change in net position		<u>\$ (39,943)</u>	
		Net position-beginning of year		<u>(163,350)</u>	
		Net position-end of year		<u>\$ (203,293)</u>	

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

FUND FINANCIAL STATEMENTS

**Balance Sheet
Governmental Funds
City Court of Bastrop
June 30, 2020**

	<u>General</u>	<u>Judicial Building Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash	\$ 65,164	\$ 26,309	\$ 91,473
Due from other funds	1,732	-	1,732
Total assets	\$ 66,896	\$ 26,309	\$ 93,205
 <u>Liabilities and fund balance</u>			
Liabilities:			
Payroll taxes payable	\$ 290	\$ -	\$ 290
Accounts payable	196	720	916
Due to other funds	1,474	1,730	3,204
Total liabilities	1,960	2,450	4,410
Fund balance:			
Restricted	-	23,859	23,859
Unassigned	64,936	-	64,936
Total fund balances	64,936	23,859	88,795
Total liabilities and fund balances	\$ 66,896	\$ 26,309	\$ 93,205

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

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
June 30, 2020**

Total fund balance-total governmental funds		\$ 88,795
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:		
Capital assets of \$229,084 net of accumulated depreciation of (\$206,701), are not financial resources and, therefore, are not reported in the funds.	\$ 22,383	
Pension liability not reported in the fund financial statements	(416,302)	
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	114,580	
The deferred inflows of contributions for the Court's pension obligation are not available resources, and therefore, are not reported in the fund financial statements	<u>(12,749)</u>	
		<u>(292,088)</u>
Net position of governmental activities		<u><u>\$ (203,293)</u></u>

**Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
City Court of Bastrop
For the year ended June 30, 2020**

	General Fund	Building Fund	Total Governmental Funds
Revenues:			
Article income	\$ 12,549	\$ -	\$ 12,549
Court costs	48,841	10,680	59,521
Diversion income	8,185	-	8,185
Probation income	12,533	-	12,533
Other revenue	7,722	-	7,722
Interest	1,157	15	1,172
Total revenues	<u>90,987</u>	<u>10,695</u>	<u>101,682</u>
Expenditures:			
Current:			
General Fund	173,532	-	173,532
Building Fund	-	14,027	14,027
Capital outlay	-	-	-
Total expenditures	<u>173,532</u>	<u>14,027</u>	<u>187,559</u>
Excess (deficiency) before transfers	(82,545)	(3,332)	(85,877)
Other financing sources (uses)			
Transfers (to) from other funds	91,421	-	91,421
Excess (deficiency) of revenues over expenditures	8,876	(3,332)	5,544
Fund balances, beginning of year	56,060	27,191	83,251
Fund balances, end of year	<u>\$ 64,936</u>	<u>\$ 23,859</u>	<u>\$ 88,795</u>

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

**Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the year ended June 30, 2020**

Net changes in fund balances-total governmental funds	S	5,544
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures	\$	-
Depreciation expense	<u>(5,641)</u>	(5,641)
Differences between the amounts reported as an expense in the statement of activities and those reported as an expense in the fund financial statements		
Pension expense		<u>(39,846)</u>
Change in net assets of governmental activities	S	<u>(39,943)</u>

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

Statement of Fiduciary Net Assets-Fiduciary Fund
City Court of Bastrop
June 30, 2020

	<u>Agency Funds</u>
<u>Assets</u>	
Cash	\$ 334,730
Investments, at cost	63,966
Due from other funds	<u>1,474</u>
Total assets	<u><u>\$ 400,170</u></u>
<u>Liabilities</u>	
Bonds, fines, and court costs held for future disposition	\$ 400,168
Due to other funds	<u>2</u>
Total liabilities	<u><u>\$ 400,170</u></u>

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

NOTES TO FINANCIAL STATEMENTS

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

June 30, 2020

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 activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

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.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

June 30, 2020

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 a potential component unit of the City of Bastrop, Louisiana. However, the City Court of Bastrop is a separate reportable entity from the City of Bastrop because it is essentially an autonomous unit. The City Judge, an elected official, has the ability to exercise accountability for fiscal matters. The City Court of Bastrop is financially independent from the City of Bastrop, Louisiana.

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.

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

Fiduciary Funds –

Agency Funds - Agency 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. Agency 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. Thus, the activity in this account is not reflected in the statement of revenues collected and expenditures paid. After a case is dismissed, any excess deposit is refunded to the plaintiff.

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

June 30, 2020

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

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

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

Basis of Accounting

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

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Fiduciary fund revenues and expenses or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. The City Court of Bastrop has four fiduciary funds, agency funds, which are purely custodial and thus do not involve measurement of results of operations.

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

June 30, 2020

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.

Cash and Cash Equivalents

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

Investments

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

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.

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

June 30, 2020

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.

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 \$163,325. This excess is secured by collateral pledge by the bank.

As of June 30, 2020, the City Court of Bastrop has a certificate of deposit in the amount of \$63,966. The certificate bears interest at a rate of 1.5%, has an original maturity of 60 months and matures on April 25, 2023. 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 Assets.

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

June 30, 2020

4. 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, 2020 was as follows:

	Balance <u>6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/20</u>
Office equipment	\$ 246,511	\$ -0-	\$ (17,427)	\$ 229,084
Accumulated Depreciation	<u>(218,487)</u>	<u>(5,641)</u>	<u>17,427</u>	<u>(206,701)</u>
Capital assets, net	<u>\$ 28,024</u>			<u>\$ 22,383</u>

5. 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, 2020, and thus, is not recognized in the accompanying financial statements.

6. 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.

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

June 30, 2020

7. 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, 2020, four of which were eligible for participation in the Plan.
- Louisiana State Employees' Retirements System (LASERS), provides defined benefit plans for various categories of members including judges and court officers. The Court had five employees during the year ended June 30, 2020, one of which was eligible for participation in the Plan. The Plan was established under the provisions of L.A.R.S. 11:401 for eligible state officers, employees, and their beneficiaries.

General Information about the Plans

Louisiana State Employees' Retirement System (LASERS)

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

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

The basic annual retirement benefit is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is the member's average annual compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired after July 1, 2006, average compensation is based on the average annual compensation for the highest 60 consecutive months of service. 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, 2020

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

The agency is contractually required composite contribution rate for the year ended June 30, 2020 was 40.10% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$34,363 for the year ended June 30, 2020.

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

As of June 30, 2020, the Court reported a total of \$301,823 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. The Court's proportion share of the Plan was .004166% for 2020 and .004294% for 2019.

The Court recognized pension expense in the statement of activities in the amount of \$40,417 for the year ended June 30, 2020.

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

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

June 30, 2020

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in proportion	\$ -0-	\$ 8,897
Changes in proportionate contributions	-0-	432
Changes in assumptions	2,586	-0-
Differences between expected and actual experience	1,853	627
Net difference between projected and actual earnings	10,428	-0-
Court contributions subsequent to the measurement date	<u>34,363</u>	<u>-0-</u>
 Total	 <u>\$ 49,230</u>	 <u>\$ 9,956</u>

The deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 in the amount of \$34,363. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2021	\$ 5,833
2022	(7,700)
2023	2,868
2024	3,910

Actuarial Assumptions

Inflation	2.50%
Salary increases	2.80% to 5.30%
Investment rate of return	7.60%
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	2 years

Mortality rates for LASERS were based on the on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Mortality rates for disabled members were based on the RP-2000 Disable Retiree Mortality Table, with no projection for mortality improvement.

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

June 30, 2020

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

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

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

<u>1%</u>	<u>Current</u>	<u>1%</u>
<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
\$ 380,939	\$ 301,823	\$ 234,997

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separate issued financial statements of the Plan. The Plan has a pension liability of \$7,244,913,304 and the net position as a percentage of total pension liability is 62.9%

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

June 30, 2020

Municipal Employees Retirement System (MERS)

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

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

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

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

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

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

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

June 30, 2020

For the year ended June 30, 2020, the actual employer contribution rate was 26.00%, determined actuarially. According to state statute, the contribution requirements for all employers are actuarially determined each year.

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

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

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Public fixed income	35%	1.51%
Public equity	50%	2.15%
Alternatives	<u>15%</u>	<u>0.64%</u>
Totals	<u>100%</u>	<u>4.30%</u>
Inflation		<u>2.70%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

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

As of June 30, 2020, the Court reported a total of \$114,479 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Court's proportion share of the Plan was .002740%.

The Court recognized pension expense in the statement of activities in the amount of \$50,676 for the year ended June 30, 2020.

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

June 30, 2020

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

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in proportion	\$ 34,220	\$ -0-
Changes in assumptions	2,893	-0-
Differences between expected and actual experience	-0-	2,793
Net difference between projected and actual earnings	11,354	-0-
Court contributions subsequent to the measurement date	<u>16,883</u>	<u>-0-</u>
 Total	 <u>\$ 65,350</u>	 <u>\$ 2,793</u>

The deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 in the amount of \$16,883. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2021	\$ 37,542
2022	5,728
2023	1,450
2024	954

Actuarial Assumptions

Inflation	2.5%
Salary increases	4.5% to 6.4%
Investment rate of return	7.0%
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	3 years

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

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

June 30, 2020

adjusted using their respective male and female MP 2018 scales for annuitant and beneficiary mortality, and PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale for disabled lives mortality.

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

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

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

<u>1%</u>	<u>Current</u>	<u>1%</u>
<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
\$ 149,260	\$ 114,479	\$ 85,072

Pension plan fiduciary net position:

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

8. SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) could be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City Court of Bastrop. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effect on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON

PENSION INFORMATION

**Budgetary Comparison Schedule
All Governmental Fund Types
City Court of Bastrop
For the year ended June 30, 2020**

	GENERAL FUND				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:								
Cert Mail Fees	\$ 1,925	\$ 1,550	\$ 1,549	\$ (1)	\$ -	\$ -	\$ -	\$ -
Scanning Fees	3,100	2,920	2,920	-	-	-	-	-
Art Income	13,475	12,550	12,549	(1)	-	-	-	-
BCC - Court Cost	70,525	48,840	48,841	1	-	-	-	-
Bond Forfeiture Income	3,650	2,310	2,301	(9)	-	-	-	-
Miscellaneous	600	590	591	1	-	-	-	-
Diversion Income	13,325	8,190	8,185	(5)	-	-	-	-
Department of Public Safety	550	360	363	3	-	-	-	-
JBF Civil	-	-	-	-	6,200	5,840	5,840	-
JBF Criminal	-	-	-	-	5,900	4,840	4,840	-
Probation Income	14,150	12,530	12,534	4	-	-	-	-
Interest	-	-	1,157	1,157	-	-	15	15
Total revenues	<u>121,300</u>	<u>89,840</u>	<u>90,990</u>	<u>1,150</u>	<u>12,100</u>	<u>10,680</u>	<u>10,695</u>	<u>15</u>
Expenditures:								
Accounting	225	530	531	(1)	-	-	-	-
Ad hoc Fees	1,950	1,980	1,981	(1)	-	-	-	-
Audit Fees	17,500	16,000	16,000	-	-	-	-	-
Bank Supplies	50	230	508	(278)	-	-	-	-
Computer Expenses	4,675	5,000	4,969	31	2,250	-	2,900	(2,900)
Conferences and Seminars	12,825	5,320	5,320	-	-	-	-	-
Copier	-	110	113	(3)	1,550	1,710	1,706	4
Court Reporter	250	-	-	-	-	-	-	-
Dues	550	1,420	1,420	-	-	-	-	-
Image	-	-	-	-	7,900	8,640	8,640	-
Retirement	31,625	51,250	51,246	4	-	-	-	-
Law library	13,350	14,110	14,207	(97)	-	-	-	-
Miscellaneous	250	260	1,360	(1,100)	-	-	-	-
Office Expense	4,500	870	874	(4)	-	-	377	(377)
Payroll Expenses	67,500	82,380	65,494	16,886	-	-	-	-
Per Judge	2,625	3,270	3,270	-	-	-	-	-
Postage	3,000	2,000	2,000	-	-	-	-	-
Postal meter	-	-	-	-	300	-	404	(404)
Repairs and Maintenance	-	-	-	-	-	-	-	-
Supplies	-	-	4,242	(4,242)	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>160,875</u>	<u>184,730</u>	<u>173,535</u>	<u>11,195</u>	<u>12,000</u>	<u>10,350</u>	<u>14,027</u>	<u>(3,677)</u>
Excess (deficiency) of revenues over expenditures	<u>(39,575)</u>	<u>(94,890)</u>	<u>(82,545)</u>	<u>12,345</u>	<u>100</u>	<u>330</u>	<u>(3,332)</u>	<u>(3,662)</u>
Other financing sources (uses)								
Transfers	-	-	91,421	-	-	-	-	-
Fund balances, beginning	<u>56,060</u>	<u>56,060</u>	<u>56,060</u>	<u>-</u>	<u>27,191</u>	<u>27,191</u>	<u>27,191</u>	<u>-</u>
Fund balances, ending	<u>\$ 16,485</u>	<u>\$ (38,830)</u>	<u>\$ 64,936</u>	<u>\$ 12,345</u>	<u>\$ 27,291</u>	<u>\$ 27,521</u>	<u>\$ 23,859</u>	<u>\$ (3,662)</u>

City Court of Bastrop
Schedules of Required Supplementary Information - Pension
For the year ended June 30, 2019

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

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2020	0.41650%	\$ 301,823	\$ 81,046	372%	62.9%
2019	0.42940%	\$ 292,916	\$ 78,881	371%	64.3%
2018	0.42740%	\$ 300,840	\$ 79,221	380%	62.5%
2017	0.41410%	\$ 325,174	\$ 74,168	438%	57.7%
2016	0.39580%	\$ 269,204	\$ 74,563	361%	62.7%
2015	0.41088%	\$ 256,931	\$ 73,226	351%	65.0%

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

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

Schedule of Employer Contributions **Schedule 2**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2020	\$ 34,363	\$ 34,363	\$ -	\$ 81,046	42.4%
2019	\$ 31,631	\$ 31,631	\$ -	\$ 78,881	40.1%
2018	\$ 33,724	\$ 33,724	\$ -	\$ 79,221	42.6%
2017	\$ 28,184	\$ 28,184	\$ -	\$ 74,168	38.0%
2016	\$ 28,002	\$ 28,002	\$ -	\$ 74,563	37.6%
2015	\$ 30,389	\$ 30,389	\$ -	\$ 73,226	41.5%

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

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2020

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2020

City Court of Bastrop
Schedules of Required Supplementary Information - Pension
For the year ended June 30, 2020

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

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

2019	0.02740%	\$ 114,479	\$ 60,840	188%	66.1%
2018	0.02740%	\$ 102,594	\$ 50,715	202%	63.9%

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

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

Schedule of Employer Contributions **Schedule 4**

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

2019	\$ 16,883	\$ 16,883	\$ -	\$ 60,840	27.7%
2018	\$ 13,186	\$ 13,186	\$ -	\$ 50,715	26.0%

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

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2020

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2020

City Court of Bastrop
Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
For the year ended June 30, 2020

Agency Head Honorable Judge Philip Lester

Salary	\$ 81,046
Retirement	34,363
Conference	<u>768</u>
Total	<u>\$ 116,177</u>

City Court of Bastrop
Summary Schedule of Prior Audit Findings
For the year ended June 30, 2020

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

Finding No 2019-001

This condition is not resolved. The court does not have the resources necessary to hire a sufficient number of employees to properly segregate all duties. Management will continue to monitor the issue, and if the court grows, future resources may be used to hire additional employees.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal awards in the year ended June 30, 2020.

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards in the year ended June 30, 2020.



City Court of Bastrop

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the City Court of Bastrop and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City Court of Bastrop and the Louisiana Legislative Auditor (the specified parties), on the Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Court's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 and no expenditures were made for public works exceeding \$250,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amended budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The City Court of Bastrop does not keep minutes. The budget adoption and amendment were traced to the budget message which was posted for all interested parties to see.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year did not exceed budgeted amounts by more than 5% for the general fund; expenditures of the Special Revenue Fund were 35.5% in excess of amounts budgeted for the year.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six disbursements were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six disbursements were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the Court is only required to post a notice of each meeting and the accompanying agenda on the door of the Court's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned the general ledger and copies of randomly selected bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements of the Court for the fiscal year. We found no payments to employees that would constitute bonuses, advances, or gifts. There were no meeting minutes available to be examined.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Court's reports due on December 31, 2019 and 2020 were submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Court did not enter into any contracts that utilized state funds and is in compliance with R.S. 24:513.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year audit report, dated December 14, 2019, included the following finding:

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

This finding has not been resolved. We recommended the Court monitor the assignment of duties to insure as much segregation of duties as possible.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Court's compliance with the foregoing matters. 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.

The purpose of this report is solely to describe the scope of testing performed on the Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

December 21, 2020

ATTACHMENTS:

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR EXCEPTIONS NOTED IN
THE ATTESTATION REPORT (IF APPLICABLE)**

SIGNED LOUISIANA ATTESTATION QUESTIONNAIRE

**City Court of Bastrop
P.O. Box 30
Bastrop, LA 71221**

June 30, 2020

MANAGEMENT'S CORRECTIVE ACTION PLAN

City Court of Bastrop respectfully submits the following corrective action plan for the year ended June 30, 2020.

Name and address of contact person: Philip Lester, Bastrop City Judge, P.O. Drawer 391, Bastrop, Louisiana 71221.

Name and address of independent public accounting firm: Oestrieher and Company, CPAs, 4641 Windermere Place, Alexandria, Louisiana 71303-3548

Period: July 1, 2019 through June 30, 2020.

The finding from the Agreed-Upon Procedure Report is discussed below. The finding is numbered consistently with the number assigned in the report.

FINDING – AGREED-UPON PROCEDURES REPORT

Finding: Expenditures for the Special Revenue Fund were 35.5% in excess of amounts budgeted for the year.

Action Taken: Management will monitor the budget and make amendments when appropriate.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

12/8/2020 (Date Transmitted)
Destriecker & Company, CPAs (CPA Firm Name)
4044 Windermere Place (CPA Firm Address)
Alexandria, LA 71303 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No []

The previous responses have been made to the best of our belief and knowledge.

<i>King Wallace</i>	Secretary		Date
	<i>Clark</i>	<i>12/8/2020</i>	Date
	Treasurer		
	<i>Smith</i>	<i>12/8/2020</i>	Date
	President		