

*Financial Report*

*Judicial Expense Fund of the Civil District Court  
for the Parish of Orleans*

*December 31, 2023*



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December 31, 2023

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## **INTRODUCTORY SECTION**

# Judicial Expense Fund

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421 Loyola Ave.  
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May 7, 2024

## LETTER OF TRANSMITTAL

To the Chief Judge Monique Barial,  
The Judges *En Banc* of the Judicial Expense Fund,  
The Supreme Court of the State of Louisiana,  
Citizens of the Parish of Orleans, and the State of Louisiana.

It is my privilege to present the Annual Financial Report on the financial condition of the Judicial Expense Fund of the Civil District Court for the Parish of Orleans, also including First and Second City Courts, (the "Judicial Expense Fund"), for the year ended December 31, 2023. The report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), and is submitted in accordance with Louisiana Revised Statutes, Title 24, section 514.

The Judges *En Banc* of the Judicial Expense Fund are responsible for the accuracy, completeness and fair presentation of the data, representations, and disclosures presented in the report. To the best of my knowledge and belief, the data presented are accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations, and provide disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the Judicial Expense Fund.

GASB Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is intended to complement Management's Discussion and Analysis, which begins immediately following the independent auditor's report, and should be read in conjunction with it.

## **Independent Audit**

These financial statements have been audited by the firm of Bourgeois Bennett, L.L.C. Certified Public Accountants, located in New Orleans, Louisiana. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Judicial Expense Fund as of and for the year ended December 31, 2023 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The financial statements of the Judicial Expense Fund as of and for the year ended December 31, 2023 are fairly presented in accordance with GAAP. The independent auditor's report is the first component of the financial section of this report.

## **Accounting Control**

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to provide for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the internal accounting controls of the Judicial Expense Fund adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

## **Profile of the Judicial Expense Fund**

The Louisiana State Constitution of 1879 created the Judicial Expense Fund, which includes a district court (Orleans Parish Civil District Court); two city courts (First City Court and Second City Court of New Orleans); and two city offices (the Recorder of Mortgages and the Register of Conveyances of New Orleans). Act 621 of the Louisiana Legislature was signed by the governor on June 23, 2006. As a result of this legislation, the composition of the fund has changed. Effective January 1, 2009, the Recorder of Mortgages and the Register of Conveyances became divisions of the Clerk of Civil District Court's Operations and are no longer a part of the Judicial Expense Fund. Management's Discussion and Analysis includes a description of the financial reporting entity and Note 2 explains the significant accounting policies.

The Judicial Expense Fund has two funds, a General Fund and an Assistive Outpatient Treatment Fund. Revenues are comprised primarily of filing fees paid by attorneys and litigants. The Judicial Expense Fund is completely self-funded and does not receive tax revenue of any type. As of and December 31, 2023, the Judicial Expense Fund did not have any debt, and all of the Fund Balance is unassigned or non-spendable.

As the Organizational Chart on page 5 shows, the fourteen judges of Civil District Court, the three judges of First City Court, and the judge of Second City Court form the Judges *En Banc*, which is charged with managing the Judicial Expense Fund in accordance with Louisiana Revised Statutes, Title 13, and Section 1312. The names of these principal officials can be found on page 5 following this letter. All eighteen judges are elected for six-year terms. The terms of all Civil District Court judges and First and Second City Court judges, expire on December 31, 2026.

## **Budget**

The Judges *En Banc* at a public meeting on December 6, 2022, adopted a budget for the year ending December 31, 2023. This budget was amended by the Judges *En Banc* at a public meeting on December 5, 2023. In accordance with Louisiana Revised Statutes, Title 39, section 1305 the budget is prepared by function and character. Management's Discussion and Analysis compares the budget with actual results and discusses the reasons for the major variances. The budget-to-actual financial statement appears as required supplemental information, which supplements the basic financial statements.

## **Capital Improvement Projects**

In 2022, a capital improvement project was implemented to update computer and security equipment and management. These improvement projects continued in 2023.

## **Investments**

Currently, idle funds are invested in two money market accounts and Certificates of Deposits. Note 3 describes the risks associated with these invested funds.

## **Risk Management**

The Judges *En Banc* manage the Judicial Expense Fund's risks by purchasing commercial insurance policies, including coverage for general liability, property, crime, errors and omissions, professional liability, and workers compensation. Please see Note 12 for information on when liabilities are recorded in the financial statements.

## **Pensions**

As is described in detail in Note 10, employees of the Judicial Expense Fund participate in one of three multiple-employer defined benefit retirement plans, depending on the employee's job. The GASB issued Statement Number 68, "*Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27*" and the Judicial Expense Fund implemented this statement in 2015. Note 10 contains additional pension information, including employer and employee contribution rates for 2023.



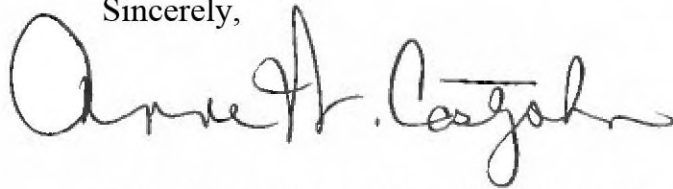
## Postemployment Benefits

GASB issued Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which adopted for 2018. The Judicial Expense Fund participates in the program of the Louisiana Office of Group Benefits. Note 9 provides greater detail about postemployment benefits.

## Acknowledgments

I express my appreciation to the Judges *En Banc*, Parochial Officials and their respective staff members for their support in preparing this report. I would also like to thank the staff of the Judicial Expense Fund for their hard work and contributions.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne W. Castjohn". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Anne W. Castjohn, CPA, CGFM, MPA  
Chief Accountant

**PRINCIPAL OFFICIALS**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

December 31, 2023

<u>Judge's Name</u>	<u>Court</u>	<u>Division</u>
<b>2023 Judges En Banc</b>		
Ellen M. Hazeur	Civil District Court	A
Marissa Hutabarat*	Civil District Court	B
Sidney H. Cates, IV	Civil District Court	C
Monique Barial**	Civil District Court	D
Omar Mason	Civil District Court	E
Jennifer Medley	Civil District Court	F
Veronica Henry***	Civil District Court	G
Vacant	Civil District Court	H
Lori Jupiter	Civil District Court	I
D. Nicole Sheppard	Civil District Court	J
Bernadette D'Souza	Civil District Court	K
Kern A. Reese	Civil District Court	L
Paulette R. Irons	Civil District Court	M
Ethel Simms Julien	Civil District Court	N
Monique G. Morial	First City Court	Section A
Elroy James****	First City Court	B
Vacant	First City Court	C
Ernestine Anderson Trahan	Second City Court	

**2023 Parochial Officials**

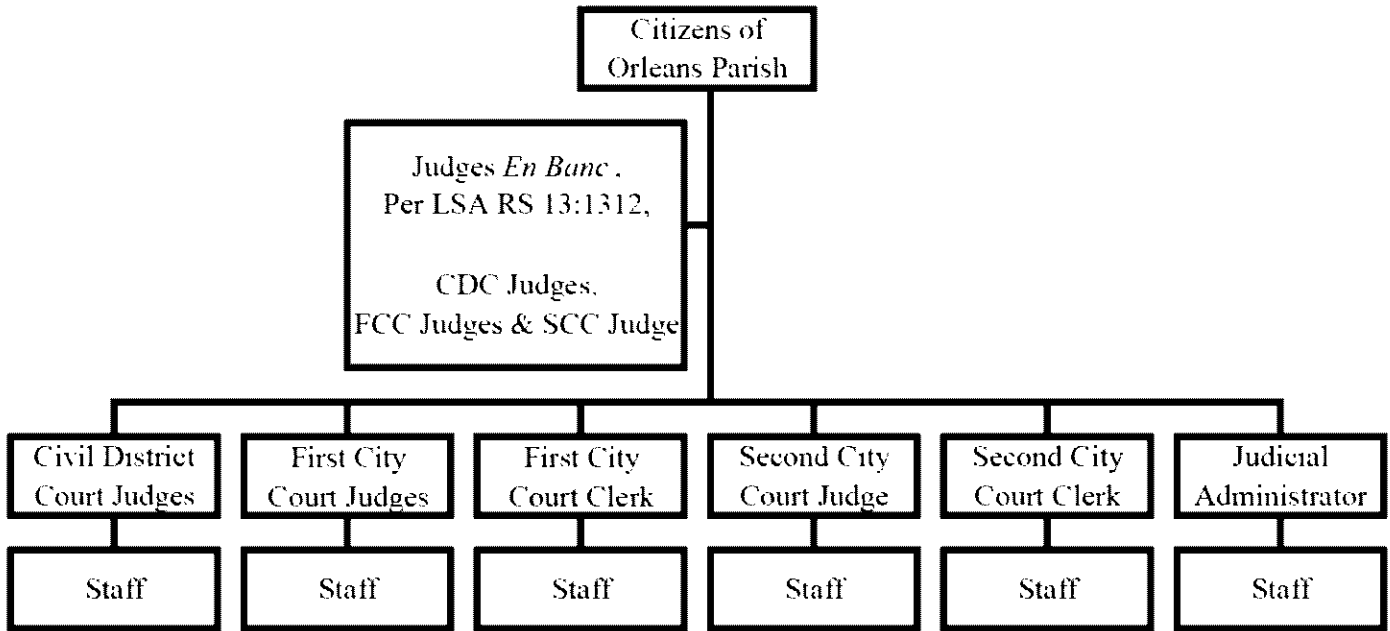
Donna Gilapion	Clerk of First City Court
Lisa Ray Diggs	Clerk of Second City Court

- \* Judge Marissa Hutabarat replaced Judge Rachel Johnson in Division B
- \*\* Judge Monique Barial replaced Judge Nakisha Ervin Knott in Division D
- \*\*\* Judge Veronica Henry replaced Judge Robin Giarusso in Division G
- \*\*\*\* Judge Elroy James replaced Judge Marissa Hutabarat in First City Court Section B

**ORGANIZATIONAL CHART**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

December 31, 2023



**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Judges En Banc,  
Civil District Court Parish of Orleans,  
Judicial Expense Fund,  
New Orleans, Louisiana.

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Judicial Expense Fund of the for the Parish of Orleans (the "Judicial Expense Fund"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund'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 and the major fund of the Judicial Expense Fund as of December 31, 2023 and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 Judicial Expense Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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 Judicial Expense Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Expense Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Judicial Expense Fund's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 11 through 16, and the required supplementary information on pages 56 through 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Judicial Expense Fund's basic financial statements. The accompanying supplementary information on pages 63 through 66 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work, performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated May 7, 2024, on our consideration of Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Judicial Expense Fund's internal control over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

New Orleans, Louisiana,  
May 7, 2024.



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Judicial Expense Fund of the Civil District Court for the Parish of Orleans New Orleans, Louisiana**

December 31, 2023

### **Introduction to the Two Types of Financial Statements**

The Management's Discussion and Analysis of Judicial Expense Fund of the Civil District Court for the Parish of Orleans (the "Judicial Expense Fund") financial performance presents a narrative overview and analysis of the Judicial Expense Fund's financial activities for the year ended December 31, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements that follow this section.

The Judicial Expense Fund has two funds, the General Fund and Assistive Outpatient Treatment Fund, and engages in only one type of activity, a governmental activity of a special-purpose government. The fund financial statements (Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance), show the results of operations and financial position using the current financial resources measurement focus and the modified accrual basis of accounting, emphasizing the change in fund balance as a result of the current year's operations, as well as the amount of resources available to spend. The government-wide financial statements (Statement of Net Assets and Statement of Activities), show the results of operations and financial position using the total economic resources measurement focus and the accrual basis of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private-sector for-profit enterprises.

The difference in measurement focus affects the types of transactions and events that are reported in the operating statement. Specifically, since fund statements are concerned with only current financial resources, non-current assets and liabilities are not shown on the Balance Sheet, and their related expenses are not reflected in the operating statement; government-wide financial statements include non-current assets and liabilities and their related expenses. For the Judicial Expense Fund at the fund level, the full purchase price of capital assets, net of retirements has been recorded as expenditures on the operating statement in the year of purchase, since available financial resources have been decreased (cash has been spent to purchase these assets). In contrast, since the government-wide statements focus on total economic resources, capital assets are shown as non-current assets on the Statement of Net Position (Deficit) (with their related accumulated depreciation), and a portion of their purchase price has been allocated as depreciation expense on the Statement of Activities, as is the practice in private-sector enterprises. On the liability side, the fund-level Balance Sheet excludes non-current liabilities, but the government-wide Statement of Net Position (Deficit) includes these liabilities, as they will be paid sometime in the future and thus affect total economic resources; although not current financial resources.

**Introduction to the Two Types of Financial Statements (Continued)**

The second difference between fund and government-wide financial statements is the basis of accounting, or the *timing* of the recognition of transactions and events. Fund statements use the *modified accrual* basis of accounting, which recognizes revenues when they are earned, only so long as they are collectible within the fiscal period, and expenditures when they are due (hence the elimination of long-term liabilities from the Balance Sheet). The government-wide financial statements use the *full accrual* basis of accounting: revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the receipt or disbursement. In layman's terms, fund financial statements focus on the current fiscal year, and the resources that are available and spendable, and government-wide statements focus on the overall economic position, both short- and long-term. The following summarizes these differences.

	Fund	Government-Wide
Statement of Position	Balance Sheet	Statement of Net Position (Deficit)
Statement of Operations	Statement of Revenues, Expenditures, and Changes in Fund Balance.	Statement of Activities
Measurement focus	Current financial resources	Total economic resources
Basis of accounting	Modified accrual	Accrual
Capital assets	Full purchase price is expensed in the year of purchase in the operating statement; not recorded on the Balance Sheet.	Full purchase price is recorded as a capital asset on the Statement of Net Position (Deficit); depreciation expense for the current fiscal year is recorded in the Statement of Activities; total accumulated depreciation is shown on the Statement of Net Position (Deficit); the related expense is recorded in the Statement of Activities.
Non-current liabilities	Not shown on the Balance Sheet; the related expenditure is not recorded in the operating statement until the expenditure has occurred.	Shown on the Statement of Net Position (Deficit); the related expense is recorded in the Statement of Activities.
Depreciation	Not recorded	Recorded in the Statement of Activities.
Accumulated depreciation	Not recorded	Shown on the Statement of Net Position (Deficit).

## Overview of Difference in Fund and Government-Wide Financial Statements (Continued)

The presentation of the two sets of financial statements is also different. On the fund level, the Balance Sheet shows Assets, Liabilities; and Fund Balance, with reconciliation to Net Position (Deficit) which follows the balance sheet. All assets and liabilities on the Balance Sheet are current. The governmentwide Statement of Net Position (Deficit) shows Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, separated into current and non-current, and Net Position (Deficit) (the difference). All of the Judicial Expense Fund's Net Position (Deficit), except for the \$309,816 invested in capital assets is unrestricted; the fund balance is non-spendable and unassigned.

A significant difference lies in the presentation of the operating statement. The fund Statement of Revenues, Expenditures, and Changes in Fund Balance lists *revenues followed by the detailed list of expenditures* (separated into direct and indirect) and ends with the change in fund balance. This familiar statement answers the question; did this year's operations increase or decrease fund balance? (Available financial resources). The L-shaped government-wide Statement of Activities, which is read across then down, answers the question how much did it cost to provide this service? So it *begins with the expenses* of each function, followed by *program revenues* (the specific revenues provided by users of the services, divided into charges for services and operating grants), to derive at *Net Program Revenue* (the difference between program revenues and expenses). Reading down the net column, general revenues are added to calculate the change in net assets, which is reconciled to net assets at the end of the year. The four functions of the Judicial Expense Fund are (1) the fourteen divisions of Civil District Court; (2) three sections of First City Court; (3) Second City Court, and (4) Domestic Support. General and administrative costs are allocated to the four functions based on that function's percentage of total revenues derived from filing fees.

### Using this Annual Report

**The Judicial Expense Fund's** annual report consists of financial statements that show information about the Judicial Expense Fund's General Fund and Assistive Outpatient Treatment at the fund level, and Statement of Net Position (Deficit) and Statement of Activities at the government-wide level.

Our auditor has provided assurance in their independent auditor's report located immediately preceding this Management Discussion and Analysis. Varying degrees of assurances are being provided by the auditor regarding the information included in this report. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

**How 2023 Compares with 2022 Statement of Net Position (Deficit)**

The following table shows condensed information from the Statement of Net Position (Deficit) for 2023 and 2022.

**Statements of Net Position (Deficit) Comparative**

	<u>2023</u>	<u>2022</u>	<u>Variance Increase (Decrease) Amounts</u>	<u>Variance Increase (Decrease) %</u>
<b>Assets</b>				
Capital assets, net	\$ 309,816	\$ 359,567	\$ (49,751)	-13.84%
Other assets	<u>11,907,397</u>	<u>11,002,384</u>	<u>905,013</u>	<u>8.23%</u>
Total assets	12,217,213	11,361,951	855,262	7.53%
Deferred outflows of resources	<u>3,391,246</u>	<u>5,084,676</u>	<u>(1,693,430)</u>	<u>-33.30%</u>
Total assets and deferred outflows of resources	<u>15,608,459</u>	<u>16,446,627</u>	<u>(838,168)</u>	<u>-5.10%</u>
<b>Liabilities</b>				
Current liabilities	1,213,017	1,140,293	72,724	6.38%
Noncurrent liabilities	<u>21,544,844</u>	<u>25,564,003</u>	<u>(4,019,159)</u>	<u>-15.72%</u>
Total liabilities	22,757,861	26,704,296	(3,946,435)	-14.78%
Deferred inflows of resources	<u>3,795,679</u>	<u>1,564,901</u>	<u>2,230,778</u>	<u>142.55%</u>
Total liabilities and deferred outflows of resources	<u>26,553,540</u>	<u>28,269,197</u>	<u>(1,715,657)</u>	<u>-6.07%</u>
Total net position (deficit)	<u>\$ (10,945,081)</u>	<u>\$ (11,822,570)</u>	<u>\$ 877,489</u>	<u>-7.42%</u>

Capital assets decreased from 2023 to 2023 because the \$150,879 purchase price of capital assets was less than the depreciation expense of \$150,642, offset by retirements of right-to-use leased equipment of \$49,988. Notes 2 and 5 include details on all of the Judicial Expense Fund's capital assets. The main components of Other Assets are cash and accounts receivable. Cash increased by \$642,848 and interest receivable increased by \$230,119.

**How 2023 Compares with 2022 Statement of Net Position (Deficit) (Continued)**

**Current Liabilities** increased due to increases in Accounts Payable and Salaries Payable. The adoption of the provisions of Governmental Accounting Standards Board (GASB) 67 and 75, however, has had the greatest impact on the Statement of Net Assets. The provisions of 67 and 75 require that the Judicial Expense Fund report its prorated portion of the Net Pension Liability for employees who are participating in the pension plans and OPEB liability for employees participating in the OPEB Plan. See Notes 9 and 10. Although the pension liability and majority of the OPEB liability is long-term debt and does not affect the current operations of the Judicial Expense Fund, it has resulted in a Net deficit of \$10,945,081.

**How 2023 Compares with 2022 Statement of Activities**

The following table show comparative data from the Statement of Activities for the fiscal years ending December 31, 2023 and 2022.

**Statements of Activities Comparative**

	<u>2023</u>	<u>2022</u>	Variance Increase (Decrease) Amounts	Variance Increase (Decrease) %
<b>Revenues:</b>				
Program revenues	\$ 10,265,085	\$ 8,376,743	\$ 1,888,342	22.54%
General revenues	2,156,922	2,828,485	(671,563)	-23.74%
Total revenues	<u>12,422,007</u>	<u>11,205,228</u>	<u>1,216,779</u>	<u>10.86%</u>
<b>Expenses:</b>				
Civil District Court	6,780,966	6,488,639	292,327	4.51%
First City Court	3,105,787	3,380,840	(275,053)	-8.14%
Second City Court	747,975	770,124	(22,149)	-2.88%
AOT Program	113,912	72,341		
Domestic support	795,878	1,015,015	(219,137)	-21.59%
Total expenses	<u>11,544,518</u>	<u>11,726,959</u>	<u>(224,012)</u>	<u>-1.91%</u>
Change in net position (deficit)	877,489	(521,731)	1,440,791	-276.16%
<b>Net Deficit:</b>				
Beginning of year	<u>(11,822,570)</u>	<u>(11,300,839)</u>	<u>(521,731)</u>	<u>4.62%</u>
End of year	<u>\$ (10,945,081)</u>	<u>\$ (11,822,570)</u>	<u>\$ 919,060</u>	<u>-7.77%</u>

**Budgetary Comparison**

The table below gives comparative data from the amounts for the original budget, final budget, and actual results for 2023 and 2022:

**Budgetary Comparative Data**

	2023		
	Original Budget	Amended Budget	Actual
Revenues	\$11,755,000	\$12,056,951	\$12,422,008
Operating expenditures	11,511,022	11,568,919	11,432,433
Capital expenditures	225,000	300,000	150,879
Total expenditures	11,736,022	11,868,919	11,583,312
Net change in fund balance	<u>\$ 18,978</u>	<u>\$ 188,032</u>	<u>\$ 838,696</u>
	2022		
	Original Budget	Amended Budget	Actual
Revenues	\$12,280,555	\$11,352,699	\$10,978,310
Operating expenditures	10,975,000	11,221,828	11,134,941
Capital expenditures	300,000	100,000	106,180
Total expenditures	11,275,000	11,321,828	11,241,121
Net change in fund balance	<u>\$ 1,005,555</u>	<u>\$ 30,871</u>	<u>\$ (262,811)</u>

Budget revenues increased \$301,151 because the volume of case filings increased more than originally expected.

**Requests For Information**

This financial report is designed to provide a general overview of the Judicial Expense Fund's finances for all those with an interest in the Judicial Expense Fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Judicial Expense Fund 421 Loyola Avenue, Room 320, New Orleans, LA 70112.

**STATEMENT OF NET POSITION (DEFICIT)**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

December 31, 2023

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 10,858,181
Accounts receivable, net	702,490
Interest receivable	286,340
Prepaid expense	60,386
	<hr/>
Total current assets	11,907,397

**Noncurrent Assets**

Capital assets, net of accumulated depreciation	309,816
	<hr/>
Total assets	12,217,213
	<hr/>

**Deferred Outflows of Resources**

Deferred amounts related to pensions	2,136,848
Deferred amounts related to OPEB	1,254,398
	<hr/>
Total deferred outflows of resources	3,391,246
	<hr/>

Total assets and deferred outflows of resources	<u><u>\$ 15,608,459</u></u>
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The accompanying notes are an integral part of the financial statements.

**LIABILITIES****Current Liabilities**

Accounts payable and accrued expenses	\$ 734,724
Salaries and benefits payable	112,962
Total OPEB liability due within one year	<u>365,331</u>

Total current liabilities	<u>1,213,017</u>
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**Noncurrent Liabilities**

Net pension liability	14,583,111
OPEB liability	6,217,590
Other noncurrent liabilities	<u>744,143</u>

Total noncurrent liabilities	<u>21,544,844</u>
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Total liabilities	<u>22,757,861</u>
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**Deferred Inflows of Resources**

Unearned revenue	4,134
Deferred amounts related to OPEB	3,638,459
Deferred amounts related to pension	<u>153,086</u>

Total deferred inflows of resources	<u>3,795,679</u>
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Total liabilities and deferred inflows of resources	<u>26,553,540</u>
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**NET DEFICIT**

Net investment in capital assets	309,816
Unrestricted	<u>(11,254,897)</u>
Total net deficit	<u><u>\$ (10,945,081)</u></u>



**STATEMENT OF ACTIVITIES**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

	<u>Expenses</u>	<u>Charges for Services and Fines</u>	<u>Operating Grants</u>	<u>Net (Expenses) Revenue Change in Net Deficit</u>
<b>Government Activities:</b>				
Program:				
Civil District Court	\$ 6,780,966	\$ 7,893,434	\$ -	\$ 1,112,468
First City Court	3,105,787	1,827,866	-	(1,277,921)
Second City Court	747,975	320,000	-	(427,975)
AOT Program	113,912	-	113,912	-
Domestic support	795,878	109,873	-	(686,005)
	<u>\$11,544,518</u>	<u>\$ 10,151,173</u>	<u>\$ 113,912</u>	<u>(1,279,433)</u>
 General revenues:				
Interest income				495,925
Other income				1,660,997
				<u>2,156,922</u>
 Total general revenue				<u>2,156,922</u>
 <b>Change in Net Deficit</b>				877,489
 <b>Net Deficit</b>				
Beginning of year				<u>(11,822,570)</u>
End of year				<u><u>\$(10,945,081)</u></u>

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

**BALANCE SHEET - GOVERNMENTAL FUND**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

	Judicial Expense Fund (General Fund)	Assistive Outpatient Treatment Fund	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$10,854,047	\$4,134	\$10,858,181
Accounts receivable	87,987	-	87,987
Interest receivable	286,340	-	286,340
Prepaid expense	60,386	-	60,386
Due from Clerk of Civil District Court: Salary fund	<u>614,503</u>	<u>-</u>	<u>614,503</u>
Total assets	<u><u>\$11,903,263</u></u>	<u><u>\$4,134</u></u>	<u><u>\$11,907,397</u></u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 734,724	\$ -	\$ 734,724
Salaries payable	112,962	-	112,962
Unearned revenues	<u>-</u>	<u>4,134</u>	<u>4,134</u>
Total liabilities	<u>847,686</u>	<u>4,134</u>	<u>851,820</u>
<b>FUND BALANCE</b>			
Nonspendable fund balance	60,386	-	60,386
Unassigned fund balance	<u>10,995,191</u>	<u>-</u>	<u>10,995,191</u>
Total fund balance	<u>11,055,577</u>	<u>-</u>	<u>11,055,577</u>
Total liabilities and fund balance	<u><u>\$11,903,263</u></u>	<u><u>\$4,134</u></u>	<u><u>\$11,907,397</u></u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

Fund balance - governmental fund		<u>\$ 11,055,577</u>
Amounts reported for governmental activities in the Statement of Net Position (Deficit) are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds		
Governmental capital assets	\$ 1,464,247	
Less: accumulated depreciation and amortization	<u>(1,154,431)</u>	<u>309,816</u>
Deferred outflows and inflows of resources related to pension earnings are not recognized in the governmental funds; however, they are recorded in the statement of net position (deficit) under full accrual accounting.		
Deferred outflows related to pension	2,136,848	
Deferred inflows related to pension	<u>(153,086)</u>	<u>1,983,762</u>
Deferred outflows and inflows of resources related to OPEB earnings are not recognized in governmental funds; however, they are recorded in the statement of net position (deficit) under full accrual accounting.		
Deferred outflows related to OPEB	1,254,398	
Deferred inflows related to OPEB	<u>(3,638,459)</u>	<u>(2,384,061)</u>
Long-term liabilities, including total OPEB liability, net pension liabilities and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liabilities	(14,583,111)	
Other noncurrent liabilities	(744,143)	
Total OPEB liability	<u>(6,582,921)</u>	<u>(21,910,175)</u>
Net position (deficit) of governmental activities		<u><u>\$(10,945,081)</u></u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

	Judicial Expense Fund (General Fund)	Assistive Outpatient Treatment	Total Governmental Funds
<b>Revenues</b>			
Filing fees, net	\$10,041,300	\$ -	\$10,041,300
Interest income	495,925	-	495,925
Domestic support	109,873	-	109,873
AOT program	-	113,912	113,912
Other income	1,660,998	-	1,660,998
Total revenues	<u>12,308,096</u>	<u>113,912</u>	<u>12,422,008</u>
<b>Direct Expenditures</b>			
Salaries	6,269,093	-	6,269,093
Employee benefits	3,365,024	-	3,365,024
Court reporters and interpreters	40,214	-	40,214
Jury meals and transportation	67,248	-	67,248
Total direct expenditures	<u>9,741,579</u>	<u>-</u>	<u>9,741,579</u>
<b>Indirect Expenditures</b>			
Books, printing and copying	134,960	-	134,960
Building and personnel security	139,474	-	139,474
Capital expenditures	150,879	-	150,879
Communication	229,781	-	229,781
Facilities	53,412	-	53,412
Furniture, equipment, and maintenance	389,508	-	389,508
Insurance	190,166	-	190,166
Office supplies and expenditures	119,382	-	119,382
Other expenditures	25,648	-	25,648
Postage and couriers	37,147	-	37,147
Professional education and dues	96,826	-	96,826
Professional services	160,188	113,912	274,100
Total indirect expenditures	<u>1,727,371</u>	<u>113,912</u>	<u>1,841,283</u>
Total expenditures	<u>11,468,950</u>	<u>113,912</u>	<u>11,582,862</u>
Net change in fund balance	839,146	-	839,146
<b>Fund Balance</b>			
Beginning of year	<u>10,216,431</u>	<u>-</u>	<u>10,216,431</u>
End of year	<u>\$11,055,577</u>	<u>\$ -</u>	<u>\$11,055,577</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

Net change in fund balance	\$ 839,146
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<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 expense:</p>	
Depreciation	(150,642)
Capital expenditures	150,879
Loss on disposal of assets	(49,988)
<p>Lease proceeds provide current financial resources to governmental funds, but issuing lease payables increases long-term liabilities in the Statement of Net Position. Repayment of lease principal is an expenditure in the governmental funds but repayment reduces long-term liabilities in the Statement of Net Position</p>	
	50,866
<p>Net pension expense is reported in governmental funds as expenditures as they are paid, however, in the Statement of Activities the net pension expense is reported according to estimates required by GASB 68:</p>	
Change in deferred outflows of resources	(2,106,769)
Change in deferred inflows of resources	93,088
Change in net pension liability	2,648,569
<p>Long-term liabilities:</p>	
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:</p>	
Change in deferred outflows of resources	413,339
Change in deferred inflows of resources	(2,337,778)
Net change in other postemployment benefit obligations	1,248,044
Net change in other non-current liabilities not due or payable in the current period	78,735
Change in net deficit	\$ 877,489

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

**NOTES TO FINANCIAL STATEMENTS****Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

December 31, 2023

**Note 1 - REPORTING ENTITY**

The Judicial Expense Fund for the Civil District Court for the Parish of Orleans (the Judicial Expense Fund) is designated by the LSA-R.S. 13:1312 as the managing entity for fiscal operations of the Civil District Court and the Clerks of the First and Second City Courts of the City of New Orleans.

The Judges of the Civil District Court for the Parish of Orleans and the judges of the First and Second City Courts of the City of New Orleans, sitting En Banc, as set forth in LSA-RS. 13:1312 have sole responsibility and oversight for the Judicial Expense Fund. The responsibility and oversight includes control overall revenues deposited into the Judicial Expense Fund by the aforementioned courts and offices, all disbursements made by the Judicial Expense Fund, the setting of all fees charged by the courts and offices comprising the Judicial Expense Fund, and the determination of expenditures related to the operations of such courts and offices.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Judicial Expense Fund conform to accounting principles generally accepted in the United States of America as applicable to governmental agencies. The following is a summary of the more significant accounting policies.

**a. Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as subsequently amended by GASB Statement No. 39, The Financial Reporting Entity, established standards for defining and reporting on the financial entity. GASB Statement No. 14 indicates the focal point for identifying the financial reporting entity is the primary government, which is considered any state government or general purpose local government, or a special purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Financial Reporting Entity (Continued)**

On June 23, 2006, the Louisiana State Legislature enacted Act 621 of the Louisiana 2006 regular session (the Act) to create the 41st Judicial District Court. Included in the provisions for the Act was the collection and allocation of fees to the Judicial Expense Fund and the Clerk of Civil District Court's Salary Fund. Specifically, the Act provides for the collection of fees and the deposit of a minimum of 50% of those funds in the Clerk of the Civil District Court (the Clerk) and the balance with the Judicial Expense Fund.

As previously discussed, state statute established the Judicial Expense Fund as the managing entity for fiscal operations of the Judicial Expense Fund which is separate and independent of any other governmental reporting entity as defined by GASB Statement Nos. 14 and 39.

In addition, the Judicial Expense Fund is financially independent of other governments. Although the Judicial Expense Fund conducts its business from a building provided by the City of New Orleans, as discussed in Note 5, this support is considered incidental in relation to the Judicial Expense Fund's total revenues and expenditures, and in view of the additions and improvements made to this building by the Judicial Expense Fund from its operating revenues over the term of its occupancy.

Management of the Judicial Expense Fund has determined that the Clerk of Civil District Court's Salary Fund and the Fiduciary Funds of the Clerk of Civil District Court, Clerk of First City Court and Clerk of Second City Court are not component units of the Judicial Expense Fund because in management's opinion, they are governed by separately elected officials; are legally separate; and are fiscally independent of the Judicial Expense Fund.

Accordingly, management has concluded that the Judicial Expense Fund is the financial reporting entity and has no component units within the provisions of GASB Statement Nos. 14 and 39.

**b. Measurement Focus and Basis of Accounting Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position (Deficit) and the Statement of Activities) report information on all activities of the Judicial Expense Fund. The Judicial Expense Fund is considered to be a governmental activity of a special-purpose government.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Measurement Focus and Basis of Accounting Government-Wide and Fund Financial Statements (Continued)**

The Judicial Expense Fund's Statement of Activities demonstrates the degree to which the expenses of a given function are offset by function revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in expenses reported by function. Program revenues include filing fees and operating grants.

The Judicial Expense Fund's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Separate financial statements are provided for the Judicial Expense Fund's governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Judicial Expense Fund considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Judicial Expense Fund reports its governmental funds as follows:

**General Fund**

The General Fund is used to account for all financial resources of the Judicial Expense Fund except those accounted for in the Assistive Outpatient Treatment (AOT) fund.

The operations of the General Fund are comprised of the General Fund's assets, liabilities, fund balance, revenues and expenditures, as related to the fiscal operations of the Clerks of Civil District Court, First City Court, and Second City Court.

Pursuant to the requirements of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, fund balance is reported as non-spendable and unassigned. The non-spendable classification is associated with amounts considered non-spendable such as prepaid assets. The unassigned classification represents amounts not restricted, committed, or assigned.



**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Measurement Focus and Basis of Accounting Government-Wide and Fund Financial Statements (Continued)**

**General Fund (Continued)**

Salaries of the judges of the Civil District Court, which are paid directly by the Supreme Court of Louisiana, are not included in the financial statements presented herein since such salaries are earned by the respective judges for serving in their capacities as state judges and not for compensation in their roles as management of the Judicial Expense Fund.

The judges receive no compensation for serving in their capacity as Judges En Banc of the Judicial Expense Fund for the Parish of Orleans.

Additionally, the Judicial Expense Fund has no authority in the determination of these salary amounts or the duties of these individuals in their capacities as state judges. For the same reasons, certain expenditures which are incurred by these judges and paid directly by the Supreme Court of Louisiana are also excluded from these financial statements. Also, salaries of the judges of the First and Second City Courts are paid jointly by the Supreme Court of Louisiana and the Judicial Expense Fund (pursuant to LSA-R.S. 13-2152). For the year ended December 31, 2023, the total paid by the Judicial Expense Fund for all City Court Judges' salaries was \$356,262.

**c. Assistive Outpatient Treatment Fund**

The AOT fund accounts for appropriation of funds to Division L for Assistive Outpatient Treatment program. The AOT fund was established by the Louisiana Revised Statute 28:66 in fiscal year 2021.

**d. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to depreciation expense, OPEB liability and net pension liability.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Budgets and Budgetary Accounting**

As required by the Louisiana Revised Statutes 39:1303, the Judicial Expense Fund adopted a budget for its General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and public hearings of the budget prior to adoption. The budget was amended once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

For the year ended December 31, 2023, for the Judicial Expense Fund, the proposed original budget was advertised on November 7-9, 2022, available for public inspection and comment, and was legally adopted at an open meeting of the Judges En Banc on December 6, 2022. On October 30, 2023 through November 1, 2023, the amended 2023 budget was advertised. It was available for public inspection and comment, a public hearing was held on December 5, 2023, and the amended budget was legally adopted at an open meeting of the Judges En Banc on December 5, 2023.

**f. Receivables**

The financial statements of the Judicial Expense Fund contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectability of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the fund.

**g. Prepaid Expense**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**h. Additional Operating Expenses**

It is the Judicial Expense Fund's policy to limit expenditures by each division of the Civil District Court for additional operating expenditures. Such expenditures may be made at the discretion of each presiding judge in accordance with specific guidelines established by the Judicial Expense Fund as to the purpose for which these expenditures may be used and only for such expenditures supported by proper documentation.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Additional Operating Expenses (Continued)**

The specific guidelines established by the Judicial Expense Fund permit use of such amounts for expenditures directly associated with or incidental to legal or judicial matters and functions. These expenditures are included in the General Fund of the accompanying financial statements of the Judicial Expense Fund.

**i. Capital Assets**

Capital assets which include computer equipment and software, office equipment, furniture and fixtures and leasehold improvements are reported in governmental activities in the government-wide financial statements.

The Judicial Expense Fund's capitalization policy requires that all single assets costing \$1,500 or greater to be capitalized and depreciated over their useful lives. Single assets costing less than \$1,500 are expensed. All assets, regardless of cost, are tracked. The straight-line method of depreciation is used for all classes of capital assets, and the allocation of depreciation expense begins on the first day of the quarter in which the capital asset is placed into service. Leasehold improvements are amortized over the lesser of their useful lives or lease period.

Based on its own experience, the Judicial Expense Fund established the following useful lives for each asset class:

Asset Class	Estimated Useful Lives in Years
Computer equipment	5
Computer software	5
Office equipment	5
Furniture and fixtures	5
Leasehold improvements	5

All capital assets acquired or donated are valued at historical cost or estimated historical cost if actual historical cost is not available. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets useful life are not capitalized.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**j. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position (Deficit) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Judicial Expense Fund reports deferred outflows of resources related to other postemployment benefits and pensions.

In addition to liabilities; the Statement of Net Position (Deficit) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The Judicial Expense Fund reports deferred inflows of resources related to other postemployment benefits and pensions.

**k. Pensions**

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Judicial Expense Fund's Pension Funds, (the Pension Funds) and additions to/deductions from the Pension funds fiduciary net position have been determined on the same basis as they are reported by the Pension Funds. 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.

**l. Fund Equity**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

**Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation reduced by the balance of outstanding debt attributable to the acquisition of those assets.

**Restricted Net Position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Fund Equity (Continued)

**Unrestricted Net Position** - All other net position that do not meet the definition of "restricted" or "invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the Judicial Expense Fund's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2023 and for the year then ended, the Judicial Expense Fund did not have or receive restricted net assets.

**Fund Financial Statements**

In the fund financial statements, governmental fund equity is classified as fund balance. fund balance is further classified as follows:

**Non-spendable** - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, granters, contributions, or the laws or regulations of other governments. There was no restricted fund balance as of December 31, 2023.

**Committed** - amounts that can be used only for specific purposes determined by a formal decision of the Judicial Expense Fund. There was no committed fund balance as of December 31, 2023.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purposes. There was no assigned fund balance as of December 31, 2023.

**Unassigned** - all other amounts not included in other spendable classifications.

For classification of governmental fund balances, the Judicial Expense Fund considers an expenditure to be made from the most restrictive first when more than one classification is available. The Judicial Expense Fund's fund balance as of December 31, 2023 totaled \$11,055,577, of which \$10,995,191 was classified as unassigned and \$60,386 was classified as non-spendable as this balance related to prepaid expenses.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Recently Issued and Implemented Accounting Pronouncements**

During the year ended December 31, 2023, the Judicial Expense Fund implemented the following GASB Statements:

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or non-governmental entity) to provide public services by conveying control of the right to operate or use a non-financial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying non-financial asset for a period of time in an exchange or exchange-like transaction. This Statement did not affect the financial statements for the year ended December 31, 2023.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement did not affect the financial statements for the year ended December 31, 2023.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. New Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 99, "*Omnibus 2022*" provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, "*Compensated Absences*" provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has yet to determine the effect of the Statement on the financial statements.

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. Reclassifications**

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 financial statement presentation.

**p. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued May 7, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Note 3 - CASH**

Cash includes amounts in demand deposit accounts.

State Law requires that all deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the entity or with an unaffiliated bank or trust company for the account of the entity. Deposits in excess of FDIC insurance are collateralized by the securities previously described.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 3,749,718	\$ 3,715,113
Certificates of deposit	7,143,068	7,143,068
Totals	\$10,892,786	\$10,858,181

Custodial credit risk is the risk that, in the event of a failure by the financial institution, the Judicial Expense Fund's deposits may not be returned to it. The Judicial Expense Fund has a written deposit policy for custodial credit risk. As of December 31, 2023, \$3,296,031 of the Judicial Expense Fund's bank balance of \$10,892,786 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and by state statute are deemed to be held in the Judicial Expense Fund's name.



**Note 3 - CASH (Continued)**

Louisiana state law allows for the investment of excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana, or any other federally insured investment.

**Note 4 - ACCOUNTS RECEIVABLE AND INTEREST RECEIVABLE**

As of December 31, 2023, accounts receivable and interest receivable is as follows:

Clerk's Salary Fund receivable, net	\$614,503
Interest receivable	286,340
Other	<u>87,987</u>
Total	<u>\$988,830</u>

**Note 5 - CAPITAL ASSETS**

The following is a summary of capital assets for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023
Computer equipment	\$ 373,680	\$ -	\$ -	\$ 373,680
Computer software	167,201	61,719	-	228,920
Office equipment	231,464	55,160	-	286,624
Furniture and fixtures	163,385	-	-	163,385
Leasehold improvements	377,638	34,000	-	411,638
Right-to-use leased equipment	<u>92,834</u>	<u>-</u>	<u>(92,834)</u>	<u>-</u>
	1,406,202	150,879	(92,834)	1,464,247
Less: accumulated depreciation	<u>(1,046,635)</u>	<u>(150,642)</u>	<u>42,846</u>	<u>(1,154,431)</u>
Capital assets, net	<u>\$ 359,567</u>	<u>\$ 237</u>	<u>\$(49,988)</u>	<u>\$ 309,816</u>

**Note 5 - CAPITAL ASSETS (Continued)**

Depreciation and amortization expense charged to each function for the year ended December 31, 2023 is as follows:

Civil District Court	\$ 117,594
First City Court	28,106
Second City Court	<u>4,942</u>
Total	<u><u>\$ 150,642</u></u>

An analysis of changes in accumulated depreciation and amortization by asset classification for the year ended December 31, 2023 is as follows:

	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023
Computer equipment	\$ 228,109	\$ 45,187	\$ -	\$ 273,296
Computer software	141,136	22,438	-	163,574
Office equipment	168,381	32,186	-	200,567
Furniture and fixtures	138,299	12,220	-	150,519
Leasehold improvements	327,864	38,611	-	366,475
Right-to-use leased equipment	<u>42,846</u>	<u>-</u>	<u>(42,846)</u>	<u>-</u>
Totals	<u><u>\$1,046,635</u></u>	<u><u>\$150,642</u></u>	<u><u>\$(42,846)</u></u>	<u><u>\$1,154,431</u></u>

The building, which the Judicial Expense Fund occupies and uses to conduct its operations, is owned by the City of New Orleans. Although the Judicial Expense Fund does not pay rent to the City of New Orleans, the Judicial Expense Fund has made additions and improvements to the building during its term of occupancy. These additions and improvements are not included in the capital assets since the Judicial Expense Fund does not own the building. Such building additions and improvements funded from operations of the Judicial Expense Fund over its term of occupancy amount to \$4,337,447 through December 31, 2023. There were no building additions and improvements made for the year ended December 31, 2023.

**Note 6 - REGISTRY OF COURT FUNDS**

The Clerks of Civil District Court, First City Court and Second City Court each maintain a Registry of the Court Fund. Parties to litigation in these courts may deposit or be ordered to deposit cash or property into these funds in connection with the related litigation. Cash or property so deposited is the property of the litigants and is to be returned or disbursed to such other parties as the court may direct upon the conclusion of the litigation.

The Clerk of Civil District Court, the Clerk of First City Court and the Clerk of Second City Court are the custodians of the Registry of Court Fund for each respective court. The clerks generally may only accept deposits into or disburse funds from the Registry of Court Fund by order of the respective court.

With respect to the Registry of Court Fund of the Civil District Court, LSA-R.S. 13:1305 authorizes the investment of these funds into interest-bearing accounts. The state also provides that one-half of the interest earned shall be credited to the litigants' deposits and one-half shall be remitted to the Judicial Expense Fund as reimbursement for administrative costs associated with the Registry of Court Fund. Interest earned and due to the Judicial Expense Fund as of December 31, 2023 amounted to \$286,340 and is included in the accompanying Statement of Activities.

Since these funds are subject to an annual audit by independent auditors, who issue a separate report thereon, and management has determined that they are not component units of the Judicial Expense Fund as described in Note 2, the 2023 financial statements for the fiduciary funds of the Clerk of Civil District Court, the Clerk of First City Court, and the Clerk of Second City Court are not included in the financial statements of the Judicial Expense Fund.

**Note 7 - CHANGES IN NON-CURRENT LIABILITIES**

The following is a summary of changes in non-current liabilities for the year ended December 31, 2023.

	Lease Liability	Other Noncurrent Liabilities	Net Pension Liability	Total OPEB Liability	Totals
Beginning of year	\$50,866	\$822,878	\$17,231,680	\$7,830,965	\$25,936,389
Additions	-	-	-	-	-
Retirements	(50,866)	(78,735)	(2,648,569)	(1,248,044)	(4,026,214)
End of year	<u>\$ -</u>	<u>\$744,143</u>	<u>\$14,583,111</u>	<u>\$6,582,921</u>	<u>\$21,910,175</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,331</u>	<u>\$ 365,331</u>

**Note 8 - INTERGOVERNMENTAL MEMORANDUM OF UNDERSTANDING**

On May 1, 2012, the Judicial Expense Fund and the Clerk of Civil District Court executed an agreement acknowledging that a net sum of \$1,435,540 representing sums collected by the Offices of Mortgages and Conveyances prior to January 1, 2009, should be transferred to the Clerk.

It was further agreed that the Judicial Expense Fund will repay the amount due to the Clerk at a rate of 1% of the filing fee revenue received from the Clerk each month until the amount is paid in full. The Judges En Banc and the Clerk agreed that this agreement shall continue herein unless compliance with the law or a judicial order or judgment requires a different result.

The balance of this liability as of December 31, 2023 was \$744,143 and is included in other long-term liabilities.

**Note 9 - OTHER POSTEMPLOYMENT RETIREMENT BENEFITS**

**General Information About the OPEB Plan**

**Plan Description** - Employees of the Judicial Expense Fund may voluntarily participate in the State of Louisiana's health insurance plan which was established and may be amended by LSA R.S. 17:1223 and which is administered by the Office of Group Benefits (OGB). The State of Louisiana's other Postemployment Benefit Plan (OPEB Plan) is an agent multiple-employer defined benefit OPEB Plan. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

**Note 9 - OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**General Information About the OPEB Plan**

The OGB does not issue a publicly available financial report of the OPEB Plan; however it is included in the State of Louisiana Annual Comprehensive Financial Report (ACFR). A copy of the ACFR may be obtained from the Office of Statewide Reporting and Accounting Policy’s website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

**Benefits Provided** - Those employees of the Judicial Expense Fund who are plan members become eligible for postemployment medical and life insurance benefits if they reach normal retirement age while working for the Judicial Expense Fund. Currently, the Judicial Expense Fund provides postemployment benefits for retired employees.

**Employees Covered By Benefit Terms** - At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	49
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>81</u>
Total	<u>130</u>

**Contributions** - The contribution requirements of plan members and the employers are established and may be amended by LSA-R.S. 42:801-883. Active employees do not contribute to their postemployment benefit cost until they become retirees and begin receiving postemployment benefits. The retirees contribute to the cost of their postemployment benefits based on qualified years of service. The plan is currently financed on a pay-as-you-go method. Contribution amounts vary depending on what healthcare provider is selected from the plan and whether the member has Medicare coverage. For the year ended December 31, 2023, the Judicial Expense Fund contributed \$364,562 to the OPEB Plan.

**Total OPEB Liability**

The Judicial Expense Fund’s proportionate share of the total OPEB liability of \$6,582,921 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The Judicial Expense Fund’s proportion of the total OPEB was based on a projection of payments as benefits come due over the long term. As of June 30, 2023, the Judicial Expense Fund’s proportional share of the total OPEB liability was 0.1534%, which was not significantly different than its proportion as of June 30, 2022.

**Note 9 - OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<b>Valuation date:</b>	July 1, 2022
<b>Actuarial cost method:</b>	Entry Age Normal
<b>Actuarial assumptions:</b>	
<b>Inflation</b>	2.40%
<b>Salary Increases</b>	Consistent with the pension valuation assumptions.
<b>Discount Rate</b>	4.09% based on the S&P 20-Year municipal bond index as of July 1, 2022.
<b>Healthcare Cost Trend Rates</b>	4.5%-7.0% as of July 1, 2022.
<b>Mortality Rates</b>	For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, and then projected on a fully generational basis by Mortality Improvement Scale  For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.  For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females; not projected with mortality improvement.

**Note 9 - OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**Changes in the Total OPEB Liability**

Balances at December 31, 2022	<u>\$7,830,965</u>
Changes for the year:	
Service cost	360,716
Interest	174,868
Difference between expected and actual	1,010,399
Changes in assumptions	(2,451,797)
Benefit payments	<u>(342,230)</u>
Net change	<u>(1,248,044)</u>
Balances as of December 31, 2023	<u>\$6,582,921</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the total OPEB liability of the Judicial Expense Fund, as well as what the Judicial Expense Fund's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1.0% Decrease (3.09%)	Current Discount Rate (4.09%)	1.0% Increase (5.09%)
Total OPEB liability	<u>\$7,542,532</u>	<u>\$6,582,921</u>	<u>\$5,804,549</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the Judicial Expense Fund, as well as what the Judicial Expense Fund's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

	1.0% Decrease	Current Trend Rate	1.0% Increase
Total OPEB liability	<u>\$5,803,808</u>	<u>\$6,582,921</u>	<u>\$7,555,177</u>

**Note 9 - OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, the Judicial Expense Fund recognized OPEB expense of \$1,038,455. As of December 31, 2023, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 799,899	\$(1,296,318)
Changes in assumptions	273,086	(2,342,141)
Benefit payments subsequent the measurement date	<u>181,413</u>	<u>-</u>
Totals	<u>\$1,254,398</u>	<u>\$(3,638,459)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2024	\$(1,666,548)
2025	(367,567)
2026	(291,125)
2027	<u>(240,234)</u>
Total	<u>\$(2,565,474)</u>

**Note 10 - PENSION PLANS**

**Descriptions of Plans**

The Judicial Expense Fund does not maintain a separate pension plan for its employees. However, its employees are eligible to participate in various multiple-employer (cost sharing) defined benefit plans provided by the state, government, and substantially all of the Judicial Expense Fund's Employees are covered by one of the available plans.



**Note 10 - PENSION PLANS (Continued)**

**Descriptions of Plans (Continued)**

The respective plan benefits provisions are established and amended under the following statutes:

<u>Plan</u>	<u>Louisiana Revised Statute</u>
Louisiana State Employees' Retirement System (LASERS) - Employees	11:401-542 Employees
Louisiana State Employees' Retirement System (LASERS) - Judges	11:401-571 Judges
Louisiana Clerks' of Court Retirement and Relief Fund (LCCRRF)	11:1501-1578
Louisiana Sheriffs' Pension and Relief Fund (LSPRF)	11:2171-2184

**Benefits Provided**

Generally, eligibility to participate in one of the plans commences with full-time permanent employment and in some instances, is subject to certain age and earning requirements. Vesting of full benefits is subject to various years of required service, generally ranging from twelve to thirty years and, in some instances, may require attainment of a minimum age. Annual retirement benefits under the plans are generally stipulated as a percentage of the participant's defined annual compensation for each year of service. In certain instances, the resulting amount may be increased by a fixed amount. In most cases, annual retirement benefits may not exceed 100% of the participant's defined annual compensation.

LASERS, LCCRRF, and LSPRF each issue publicly available audited financial reports that can be obtained at [www.lasersonline.org](http://www.lasersonline.org), [laclerkofcourt.org](http://laclerkofcourt.org), and [lsprf.com](http://lsprf.com), respectively.

**Note 10 - PENSION PLANS (Continued)**

**Contributions**

Under the terms of the various plans, employees contribute a specified percentage of their gross earnings, and the Judicial Expense Fund also contributes a specified percentage. The plans in which the employees of the Judicial Expense Fund participate and the specified contribution percentages at December 31, 2023 are as follows:

Pension Plans	Period	Employer Contribution Percentage	Employee Contribution Percentage
<b>LASERS (Regular Employees)</b>			
Pre Act 75 (hired before 7/1/2006)	1/1 - 6/30	40.40%	7.50%
Pre Act 75 (hired before 7/1/2006)	7/1 - 12/31	41.30%	7.50%
Post Act75 (hired on or after 7/1/2006)	1/1 - 6/30	40.40%	8.00%
Post Act75 (hired on or after 7/1/2006)	7/1 - 12/31	41.30%	8.00%
<b>LASERS (Judges)</b>			
Judges & Judicial Employees (hired before 1/1/2011)	1/1 - 6/30	44.80%	11.50%
Judges & Judicial Employees (hired before 1/1/2011)	7/1 - 12/31	45.80%	11.50%
Elected Judges (hired on or after 1/1/2011)	1/1 - 6/30	43.80%	13.00%
Elected Judges (hired on or after 1/1/2011)	7/1 - 12/31	44.70%	13.00%
<b>LCCRRF</b>			
Clerks of Court Employees	1/1 - 6/30	22.25%	8.25%
Clerks of Court Employees	7/1 - 12/31	23.00%	8.25%
<b>LSPRF</b>			
Sheriff's Office Employees	1/1 - 6/30	11.50%	10.25%
Sheriff's Office Employees	7/1 - 12/31	11.50%	10.25%

The amounts of the most recently actuarially determined employer contribution as a percentage of covered compensation for each plan for the year ended 2023 amount to:

Plan	Actuarially Determined Employer Contribution Rate
LASERS Judges (hired before 1/1/2011)	44.80%
LASERS Judges (hired on or after 1/1/2011)	43.80%
LASERS All Others	40.85%
LCCRRF	22.25%
LSPRF	11.50%

**Note 10 - PENSION PLANS (Continued)**

**Contributions (Continued)**

Benefits granted by the retirement systems are guaranteed by the State of Louisiana. The Judicial Expense Fund does not guarantee the benefits granted by the retirement systems. In accordance with LSA-R.S. 11:1563, if at any time monies in the State Fund are not sufficient to pay each retiree and beneficiary the full amount to which he/she is entitled, equal percentages of the full amount shall be paid to each retiree and beneficiary until the fund is replenished so as to warrant resumption of the payment of the full amount to each retiree and beneficiary.

In accordance with State statute, LCCRRF and LSPRF receive ad valorem taxes, insurance premium 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. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended December 31, 2023.

Contributions to the plans for the year ended December 31, 2023 were as follows:

<u>Pension Plans</u>	<u>Contributions</u>
LASERS	\$1,651,612
LCCRRF	277,526
LSPRF	<u>93,377</u>
	<u>\$2,022,515</u>

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

The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Judicial Expense Fund's proportion of the net pension liability for LASERS was based on a projection of the Judicial Expense Fund's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Judicial Expense Fund's proportion of the net pension liabilities of LASERS, LCCRRF and LSPRF were based on the Judicial Expense Fund's historical contributions.

**Note 10 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The following table reflects the Judicial Expense Fund's proportionate share of the Net Pension Liabilities for each of the pension plans, the proportion at June 30, 2023 and the change compared to the June 30, 2022 proportion.

<u>Pension Plans</u>	<u>Net Pension Liability (Asset) as of June 30, 2023</u>	<u>Proportion as of June 30, 2023</u>	<u>Increase (Decrease) as of June 30, 2023 Proportion</u>
LASERS	\$11,854,841	0.177110%	-0.011520%
LCCRRF	1,809,439	0.841112%	-0.019206%
LSPRF	918,831	0.104543%	-0.004521%
	<u>\$14,583,111</u>		

The following table reflects the Judicial Expense Fund's recognized pension expense for each of the pension plans for the year ended December 31, 2023.

<u>Pension Plans</u>	<u>Pension Expense (Benefit)</u>	<u>Amortization</u>	<u>Totals</u>
LASERS	\$1,651,612	\$(980,019)	\$ 671,593
LCCRRF	277,526	249,516	527,042
LSPRF	93,377	95,615	188,992
	<u>\$2,022,515</u>	<u>\$(634,888)</u>	<u>\$1,387,627</u>

**Note 10 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

As of December 31, 2023, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LASERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 256,622	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	67,771	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	813,330	-
Total LASERS	\$1,137,723	\$ -
	Deferred Outflows of Resources	Deferred Inflows of Resources
LCCRRF		
Differences between expected and actual experience	\$ 9,771	\$(18,418)
Changes in assumptions	90,204	-
Net difference between projected and actual earnings on pension plan investments	201,822	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,980	(69,793)
Employer contributions subsequent to the measurement date	140,968	-
Total LCCRRF	\$501,745	\$(88,211)

**Note 10 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions (Continued)**

LSPRF	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$170,513	\$(16,816)
Changes in assumptions	70,624	-
Net difference between projected and actual earnings on pension plan investments	183,548	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,748	(48,059)
Employer contributions subsequent to the measurement date	45,947	-
Total LSPRF	\$497,380	\$(64,875)

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

Pension Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
LASERS	\$1,137,723	\$ -
LCCRRF	501,745	(88,211)
LSPRF	497,380	(64,875)
	\$2,136,848	\$(153,086)

**Note 10 - PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Deferred outflows of resources related to pensions resulting from the Judicial Expense Fund's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2023. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

<u>Pension Plans</u>	<u>Subsequent Contributions</u>
LASERS	\$ 813,330
LCCRRF	140,968
LSPRF	<u>45,947</u>
	<u>\$1,000,245</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending December 31,</u>	<u>Amount of Amortization</u>			
	<u>Pension Plans</u>			<u>Totals</u>
	<u>LASERS</u>	<u>LCCRRF</u>	<u>LSPRF</u>	
2024	\$ 324,042	\$ 138,771	\$ 110,996	\$ 573,809
2025	(428,119)	4,984	51,345	(371,790)
2026	583,888	163,284	208,907	956,079
2027	<u>(155,418)</u>	<u>(34,473)</u>	<u>15,310</u>	<u>(174,581)</u>
	<u>\$ 324,393</u>	<u>\$ 272,566</u>	<u>\$ 386,558</u>	<u>\$ 983,517</u>

**Note 10 - 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 are as follows:

	<u>LASERS</u>	<u>LCRRF</u>	<u>LCRRF</u>
<b>Valuation Date:</b>	June 30, 2023	June 30, 2023	June 30, 2023
<b>Actuarial Cost Method:</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Actuarial Assumptions:</b>			
<b>Expected Remaining Service Lives</b>	2 years	5 years	5 years
<b>Investment Rate of Return:</b>	7.25% per annum	6.55% net of investment expense	6.85% per annum
<b>Inflation Rate:</b>	2.30% per annum	2.40% per annum	2.50% per annum
<b>Salary Increases</b>	2.6% - 13.8%	5.00% - 6.25%	5.00% (2.50% inflation, 2.50% merit)
<b>Cost of Living Adjustments</b>	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 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 present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values 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.



**Note 10 - PENSION PLANS (Continued)**

**Actuarial Assumptions (Continued)**

	LASERS	LCRRF	LCRRF
<b>Mortality Rates:</b>	Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled Retiree Mortality Table, with no projection for mortality improvement.	Pub-2010 Public Retirement Plans multiplied by 120%, Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.	Non-disabled members - Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 120% for males and 115% for females for active members, each with full generational projection using the appropriate MP2019 scale.  Disabled members - Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.
<b>Termination, Disability, and Retirement:</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members	Termination, disability, and retirement assumptions were projected based on a five-year (2015-2019) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2019) experience study of the System's members.

**Note 10 - PENSION PLANS (Continued)**

**Actuarial Assumptions (Continued)**

The following table lists the methods used by each of the pension plans in determining the long term rate of return on pension plan investments:

LASERS	LCCRRF	LSPRF
<p>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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/ diversification. The resulting expected long- term rate of return is 8.19% for 2023.</p>	<p>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.</p>	<p>The long-term expected real 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 were 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.</p>

**Note 10 - PENSION PLANS (Continued)**

**Actuarial Assumptions (Continued)**

The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of December 31, 2023:

Asset Class	Target Allocation			Long Term Expected Rate of Return		
	<u>LASERS</u>	<u>LCCRRF</u>	<u>LSPRF</u>	<u>LASERS</u>	<u>LCCRRF</u>	<u>LSPRF</u>
Cash	0.0%	0.0%	0.0%	0.80%	0.00%	0.00%
Domestic equity	34.0%	35.0%	62.0%	4.45%	7.50%	4.15%
International equity	18.0%	20.0%	0.0%	5.44%	8.50%	0.00%
Domestic fixed income	3.0%	30.0%	25.0%	2.04%	2.50%	1.23%
International fixed income	17.0%	0.0%	0.0%	5.33%	3.50%	0.00%
Alternative investments	28.0%	0.0%	13.0%	8.19%	0.00%	0.75%
Global asset allocation	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%
Real estate	<u>0.0%</u>	<u>15.0%</u>	<u>0.0%</u>	0.00%	4.50%	<u>0.00%</u>
Totals	<u>100%</u>	<u>100%</u>	<u>100%</u>			<u>6.13%</u>
Inflation						<u>2.49%</u>
Expected arithmetic nominal return						<u>8.62%</u>

**Discount Rate**

The discount rates used to measure the total pension liabilities for LASERS, LCCRRF, and LSPRF were 7.25%, 6.55%, and 6.85% respectively; for both the years ended December 31, 2023 and 2022.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and member rate. Based on those assumptions, each of the pension plans' fiduciary net positions were 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.

**Note 10 - PENSION PLANS (Continued)**

**Sensitivity of the Judicial Expense Fund's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate**

The following table presents the Judicial Expense Fund's proportionate share of the Net Pension Liabilities (NPL) using the discount rate of each pension plan as well as what the Judicial Expense Fund's proportionate share of the Net Pension Liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1.0%</u> <u>Increase</u>
<b>LASERS</b>			
Discount Rate	6.25%	7.25%	8.25%
Share of NPL	<u>\$15,522,936</u>	<u>\$11,854,841</u>	<u>\$8,747,190</u>
<b>LCCRRF</b>			
Discount Rate	5.55%	6.55%	7.55%
Share of NPL	<u>\$2,700,884</u>	<u>\$1,809,439</u>	<u>\$1,058,017</u>
<b>LSPRF</b>			
Discount Rate	5.85%	6.85%	7.85%
Share of NPL	<u>\$1,627,945</u>	<u>\$918,831</u>	<u>\$327,195</u>

**Support of Non-Employer Contributing Entities**

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Judicial Expense Fund recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended December 31, 2023, the Judicial Expense Fund did not recognize revenue as a result of support received from non-employer contributing entities for its participation in LCCRRF and LSPRF. LASERS does not receive support from non-employer contributing entities and, as a result, no revenue was recorded for LASERS for the year ended December 31, 2023.

**Pension Plans Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position is available in the separately issued financial reports for LASERS, LCCRRF, and LSPRF and can be obtained on the pension plans' respective websites or on the Louisiana Legislative Auditor's website: [www.la.la.gov](http://www.la.la.gov).

**Note 11 - CIVIL DISTRICT COURT FILING FEE REVENUE**

Act 621 passed by the State of Louisiana Legislature and signed by the Governor of the State of Louisiana on June 23, 2006 requires the deposit of no less than fifty percent of the filing fees collect pursuant to LSA-R.S. 13:1213 into the Clerk’s Salary Fund. The remaining filing fees collected by the Clerk are remitted to the Judicial Expense Fund.

**Note 12 - RISK MANAGEMENT**

The Judicial Expense Fund is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets for which the Judicial Expense Fund carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated.

For the year ended December 31, 2023, no insurance settlements exceeded the amount of insurance coverage.

**Note 13 - CONCENTRATION OF CREDIT RISK**

The Judicial Expense Fund’s principal source of revenues consists of filing fees. If the amount of fees received falls below budgeted levels, the Judicial Expense Fund’s operating results could be adversely effected.

**Note 14 - OTHER INCOME**

For the year ended December 31, 2023, other income in the governmental fund consisted of the following:

Land records revenue	\$ 1,008,376
Remote access fees	392,393
Jury bond rebate revenue	252,943
IT rental	<u>7,285</u>
Total	<u><u>\$ 1,660,997</u></u>

**Note 15 - NET DEFICIT**

For the year ended December 31, 2023, the Judicial Expense Fund had a decrease in the net deficit of \$877,489. The impact of generally accepted accounting standards related to pension and OPEB has resulted in a total net deficit of \$10,945,081.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND  
EXPENDITURES BUDGETED AND ACTUAL**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

December 31, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Filing fees, net	\$8,300,000	\$10,084,417	\$10,041,300	\$ (43,117)
Interest income	300,000	182,519	495,925	313,406
Remote access	400,000	414,873	392,393	(22,480)
Jury bond rebate	400,000	201,172	252,943	51,771
Domestic support	225,000	113,952	109,873	(4,079)
IT rental revenue	10,000	7,518	7,285	(233)
Land record revenue	2,100,000	1,024,803	-	(1,024,803)
Other income	20,000	27,697	1,008,377	980,680
Total revenues	<u>11,755,000</u>	<u>12,056,951</u>	<u>12,308,096</u>	<u>251,145</u>
<b>Expenditures</b>				
Direct expenses:				
Salaries	6,526,618	6,325,261	6,269,093	56,168
Employee benefits	3,360,545	3,408,411	3,365,024	43,387
Court reporters and interpreters	50,000	59,478	40,214	19,264
Jury meals and transportation	57,050	57,050	67,248	(10,198)
Total direct expenses	<u>9,994,213</u>	<u>9,850,200</u>	<u>9,741,579</u>	<u>108,621</u>
Indirect expenses:				
Books, printing, and copying	142,200	145,616	134,960	10,656
Building and personnel security	138,535	138,951	139,474	(523)
Capital expenditures	225,000	300,000	150,879	149,121
Communication	204,100	238,029	229,781	8,248
Facilities	30,000	37,211	53,412	(16,201)
Furniture, equipment, and maintenance	336,000	409,723	389,508	20,215
Insurance	196,500	179,539	190,166	(10,627)
Office supplies and expenses	104,700	121,717	119,382	2,335
Other expenditures	21,200	20,481	25,648	(5,167)
Postage and couriers	17,500	33,888	37,147	(3,259)
Professional education and dues	91,574	128,091	96,826	31,265
Professional services	234,500	265,473	160,188	105,285
Total indirect expenses	<u>1,741,809</u>	<u>2,018,719</u>	<u>1,727,371</u>	<u>291,348</u>
Total expenditures	<u>11,736,022</u>	<u>11,868,919</u>	<u>11,468,950</u>	<u>399,969</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 18,978</u>	<u>\$ 188,032</u>	<u>\$ 839,146</u>	<u>\$ 651,114</u>

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION -**  
**BUDGETARY REPORTING**

**Judicial Expense Fund of the Civil District Court**  
**for the Parish of Orleans**  
New Orleans, Louisiana

December 31, 2023

The Judicial Expense Fund adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

**Budgetary Information**

Preparation of the adopted budget begins in the Fiscal Administration Office of the Judicial Administrator. The Chief Accountant compiles actual financial information from the previous year for each department of the Judicial Expense Fund. Department heads and judges provide their input, and a proposed budget is prepared on the accrual basis of accounting. The budget adopted is consistent with accounting principles generally accepted in the United States of America.

Once the preliminary budget is prepared, it is presented and discussed by the Finance Committee. Once the Finance Committee approves the budget, the Judicial Expense Fund publishes notice of the budget in the Times-Picayune, the official journal of New Orleans. The public is invited to inspect and comment on the proposed budget. The budget is subsequently adopted by the Judges En Banc at a meeting open to the public.

Once the budget is adopted, the Fiscal Administration Office compares actual revenue and expenditures to the budget throughout the year. When circumstances warrant it, the Chief Accountant and Judicial Administrator will prepare an amended budget and present it to the Finance Committee. If the Finance Committee approves their amended budget, it will recommend it to the Judges En Banc. There will be a public announcement, public inspection period and an amended budget will be adopted at an open meeting.

For the year ended December 31, 2023, for the Judicial Expense Fund, the proposed original budget was advertised on November 7-9, 2022, available for public inspection and comment, and was legally adopted at an open meeting of the Judges En Banc on December 6, 2022. On October 30, 2023 through November 1, 2023, the amended 2023 budget was advertised. It was available for public inspection and comment, a public hearing was held on December 5, 2023, and the amended budget was legally adopted at an open meeting of the Judges En Banc on December 5, 2023.



**SCHEDULE OF EMPLOYER'S PROPORTIONATE  
SHARE OF NET PENSION LIABILITIES (ASSETS)**

**Judicial Expense Fund For the  
Civil District Court For the Parish of Orleans  
New Orleans, Louisiana**

For the nine years ended December 31, 2023

<u>For the Year Ended December 31,</u>	<u>Agency's Proportion of the Net Pension Liability (Asset)</u>	<u>Agency's Proportionate Share of the Net Pension</u>	<u>Agency's Covered Payroll</u>	<u>Agency's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<b>Louisiana State Employees' Retirement System</b>					
2023	0.177110 %	\$11,854,841	\$4,044,115	293.14 %	68.40 %
2022	0.188630 %	\$14,260,017	\$3,953,962	360.65 %	63.70 %
2021	0.178678 %	\$9,834,394	\$3,970,977	247.66 %	72.80 %
2020	0.183575 %	\$15,182,879	\$3,846,079	394.76 %	58.00 %
2019	0.191250 %	\$13,880,093	\$3,670,602	378.14 %	62.90 %
2018	0.189020 %	\$12,911,946	\$3,409,854	378.67 %	64.30 %
2017	0.180800 %	\$12,725,570	\$3,151,074	403.85 %	62.50 %
2016	0.174930 %	\$13,736,312	\$3,177,285	432.33 %	57.70 %
2015	0.169740 %	\$11,544,912	\$3,149,042	366.62 %	62.70 %
<b>Louisiana Sheriffs' Pension and Relief Fund</b>					
2023	0.104543 %	\$918,881	\$826,651	111.15 %	83.94 %
2022	0.109064 %	\$886,456	\$820,865	107.99 %	83.90 %
2021	0.114421 %	-\$56,701	\$804,298	7.05 %	101.04 %
2020	0.108230 %	\$749,076	\$799,819	93.66 %	83.77 %
2019	0.107660 %	\$509,255	\$754,309	67.51 %	88.91 %
2018	0.111912 %	\$429,143	\$755,071	56.83 %	90.41 %
2017	0.112793 %	\$485,711	\$781,266	62.17 %	88.49 %
2016	0.838820 %	\$5,323,905	\$787,702	675.88 %	82.10 %
2015	0.716730 %	\$497,458	\$677,097	136.11 %	86.61 %
<b>Louisiana Clerks of Court Retirement and Relief Fund</b>					
2023	0.841112 %	\$1,809,439	\$1,218,684	148.48 %	77.56 %
2022	0.860320 %	\$2,085,207	\$1,288,551	161.83 %	74.09 %
2021	0.901000 %	\$1,198,554	\$1,411,832	84.89 %	85.40 %
2020	0.846240 %	\$2,035,939	\$1,334,340	152.58 %	72.09 %
2019	0.785070 %	\$1,425,676	\$1,332,081	107.03 %	77.93 %
2018	0.817010 %	\$1,358,936	\$1,398,212	97.19 %	79.07 %
2017	0.803560 %	\$1,219,024	\$1,372,459	88.82 %	79.69 %
2016	0.784260 %	\$1,450,857	\$1,359,593	106.71 %	74.17 %
2015	0.891525 %	\$1,222,893	\$1,486,554	121.56 %	78.13 %

\*Amounts presented were determined as of the measurement date.

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

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS**

**Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

For the nine years ended December 31, 2023

For the Year Ended December 31,	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	Agency's Covered Payroll	Contributions Statutorily Required Contribution
<b>Louisiana State Employees' Retirement System</b>					
2023	\$1,651,612	\$1,651,612	\$ -	\$3,977,367	41.50 %
2022	\$1,615,028	\$1,615,028	\$ -	\$3,992,045	40.50 %
2021	\$1,542,674	\$1,542,674	\$ -	\$3,838,232	40.20 %
2020	\$1,627,321	\$1,627,321	\$ -	\$4,008,132	40.60 %
2019	\$1,398,245	\$1,398,245	\$ -	\$3,788,102	36.90 %
2018	\$1,300,405	\$1,300,405	\$ -	\$3,507,755	37.10 %
2017	\$1,134,441	\$1,134,441	\$ -	\$3,228,346	35.10 %
2016	\$1,185,999	\$1,185,999	\$ -	\$3,193,674	37.10 %
2015	\$1,171,627	\$1,171,627	\$ -	\$3,180,512	36.80 %
<b>Louisiana Sheriffs' Pension and Relief Fund</b>					
2023	\$93,337	\$93,337	\$ -	\$811,977	11.50 %
2022	\$97,692	\$97,692	\$ -	\$821,844	11.90 %
2021	\$102,912	\$102,912	\$ -	\$811,089	12.74 %
2020	\$99,940	\$99,940	\$ -	\$813,800	12.30 %
2019	\$92,157	\$92,157	\$ -	\$772,543	11.90 %
2018	\$98,208	\$98,208	\$ -	\$751,920	13.10 %
2017	\$103,517	\$103,517	\$ -	\$755,072	13.70 %
2016	\$109,494	\$109,494	\$ -	\$796,312	13.58 %
2015	\$96,487	\$96,487	\$ -	\$755,335	12.58 %
<b>Louisiana Clerks of Court Retirement and Relief Fund</b>					
2023	\$277,526	\$277,526	\$ -	\$1,226,650	22.60 %
2022	\$278,871	\$278,871	\$ -	\$1,252,336	22.30 %
2021	\$284,616	\$284,616	\$ -	\$1,315,923	21.60 %
2020	\$283,910	\$283,910	\$ -	\$1,416,676	20.00 %
2019	\$252,869	\$252,869	\$ -	\$1,315,065	19.20 %
2018	\$246,832	\$246,832	\$ -	\$1,361,160	18.10 %
2017	\$261,089	\$261,089	\$ -	\$1,397,173	18.70 %
2016	\$258,323	\$258,323	\$ -	\$1,366,760	18.90 %
2015	\$281,821	\$281,821	\$ -	\$1,366,562	20.60 %

\*Amounts presented were determined as of the measurement date.

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

**NOTES TO REQUIRED PENSION  
SUPPLEMENTARY INFORMATION**

**Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

**Note 1 - CHANGES OF BENEFIT TERMS**

LASERS - Changes of benefit terms include a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

**Note 2 - CHANGES OF ASSUMPTIONS**

**LASERS**

For the year ended June 30, 2023, the investment rate of return remained 7.25%. For the valuation year ended June 30, 2022, the investment rate of return was decreased from 7.40% to 7.25%. For the valuation year ended June 30, 2021, the investment rate of return was decreased from 7.55% to 7.40%. For the valuation year ended June 30, 2020, the investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30%, the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3%-14.0% to 5.1% to 13.8%. For the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.65% to 7.60%, the inflation rate was decreased from 2.75% to 2.50%, the average remaining services lives decreased from 3 years to 2 years, and the mortality table for non-disabled members changed to the RP-2014 Healthy Mortality Table. For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.70% to 7.65%. For the valuation year ended June 30, 2017, the investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75%.

**LCCRRF**

For the year ended June 30, 2023, the investment rate of return remained 6.55%. For the valuation year ended June 30, 2021, the discount rate was reduced from 6.75% to 6.55%. There were no changes of assumptions for the valuation years ended June 30, 2019 and 2020. For the valuation year ended June 30, 2018, the discount rate was reduced from 7.0% to 6.75%. For the valuation year ended June 20, 2014, the discount rate was reduced from 7.25% to 7.00% and the Projected Salary Increase was reduced from 5.75% to 5.00%.

**Note 2 - CHANGES OF ASSUMPTIONS (Continued)**

**LSPRF**

For the year ended June 30, 2023, the investment rate of return remained 6.85%. For the valuation year ended June 30, 2022, the discount rate was reduced from 6.90% to 6.85%. For the valuation year ended June 30, 2021, the discount rate was reduced from 7.00% to 6.90%. For the valuation year ended June 30, 2020, the discount rate was reduced from 7.10% to 7.00%, and the projected merit increase rate was decreased from 3.00% to 2.50%. For the valuation year ended June 30, 2019, the discount rate was reduced from 7.25% to 7.10%, the inflation was reduced from 2.60% to 2.50%, and the projected merit increase rate was increased from 2.90% to 3.00%. For the valuation year ended June 30, 2018, the discount rate was reduced from 7.4% to 7.25%, the inflation was reduced from 2.775% to 2.60%, and the projected merit increase rate was increased from 2.725% to 2.90%. For the valuation year ended June 30, 2017, the discount rate was reduced from 7.5% to 7.4%, the inflation was reduced from 2.875% to 2.775%, and the projected merit increase rate was increased from 2.625% to 2.725%. For the valuation year ended June 30, 2016, the remaining service life of employees was increased from 6 years to 7 years, and the discount rate was reduced from 7.6% to 7.5%. For the valuation year ended June 30, 2015, the discount rate was reduced from 7.7% to 7.6%, the salary increase assumption was reduced from 6% to 5.5%, and the inflation assumption was reduced from 3% to 2.875%.

**SCHEDULE OF CHANGES IN TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

For the six years ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:						
Service cost	\$ 360,716	\$ 291,357	\$ 278,981	\$ 1,011,692	\$ 499,722	\$ 549,356
Interest	174,868	205,490	222,819	454,275	244,614	216,683
Change of benefit term	-	-	-	-	-	-
Differences between expected and actual experience	1,010,399	(413,156)	(23,208)	770,791	(494,139)	-
Changes in assumptions and other inputs	(2,451,797)	468,146	(449,184)	(1,396,151)	(276,969)	(568,325)
Benefit payments, including refunds of member contributions	<u>(342,230)</u>	<u>(307,422)</u>	<u>(298,411)</u>	<u>(331,651)</u>	<u>(178,860)</u>	<u>(182,456)</u>
Net change in total OPEB liability	(1,248,044)	244,415	(269,003)	508,956	(205,632)	15,258
Total OPEB liability - beginning	<u>7,830,965</u>	<u>7,586,550</u>	<u>7,855,553</u>	<u>7,346,597</u>	<u>7,552,229</u>	<u>7,536,971</u>
Total OPEB liability - ending	<u>\$ 6,582,921</u>	<u>\$ 7,830,965</u>	<u>\$ 7,586,550</u>	<u>\$ 7,855,553</u>	<u>\$ 7,346,597</u>	<u>\$ 7,552,229</u>
Covered payroll - employee	<u>\$ 5,041,132</u>	<u>\$ 4,354,255</u>	<u>\$ 4,354,255</u>	<u>\$ 4,677,214</u>	<u>\$ 4,189,701</u>	<u>\$ 4,182,519</u>
Total OPEB liability as a percentage of covered employee payroll	<u>130.58%</u>	<u>179.85%</u>	<u>174.23%</u>	<u>167.95%</u>	<u>175.35%</u>	<u>180.57%</u>

**Note:**

Changes of Assumptions and Other Inputs The discount rate was 3.13% as of July 1, 2017, 2.98% as of July 1, 2018, 2.79% as of July 1, 2019, 2.66% as of June 1, 2020, and 2.18% as of July 1, 2021. The mortality tables used beginning with July 1, 2018 was were updated to the RP-2014 tables.

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

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND EXPENSES - BY LEDGER**

**Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

	Civil District Court	First City Court	Second City Court	Domestic Support	AOJ Program	Totals
<b>Revenues</b>						
Filing fees, net	\$7,893,434	\$1,827,866	\$ 320,000	\$ -	\$ -	\$10,041,300
Interest income	389,797	90,258	15,870	-	-	495,925
Grant income	-	-	-	-	113,912	113,912
Other income	1,359,358	256,534	45,105	109,873	-	1,770,870
Total revenues	<u>9,642,589</u>	<u>2,174,658</u>	<u>380,975</u>	<u>109,873</u>	<u>113,912</u>	<u>12,422,007</u>
<b>Expenses</b>						
Direct expenses						
Salaries	3,389,012	1,866,552	420,227	593,302	-	6,269,093
Employee benefits	2,049,130	864,163	232,152	181,475	-	3,326,920
Jury meals and transportation	67,248	-	-	-	-	67,248
Court reporters and interpreters	24,281	8,007	7,926	-	-	40,214
Total direct expenses	<u>5,529,671</u>	<u>2,738,722</u>	<u>660,305</u>	<u>774,777</u>	<u>-</u>	<u>9,703,475</u>
Indirect expenses:						
Books, printing, and copying	84,628	36,299	9,334	4,699	-	134,960
Building and personnel security	109,801	25,210	4,463	-	-	139,474
Communication	195,150	24,134	9,829	-	668	229,781
Depreciation and amortization	117,594	28,106	4,942	-	-	150,642
Facilities	20,486	28,152	4,774	-	-	53,412
Furniture, equipment, and maintenance	291,051	81,440	15,943	1,074	-	389,508
Insurance	136,422	34,726	3,848	15,170	-	190,166
Office supplies and expenses	75,156	34,775	9,293	158	-	119,382
Postage and couriers	28,913	5,239	2,995	-	-	37,147
Professional education and dues	71,027	15,362	9,499	-	938	96,826
Professional services	118,529	30,647	12,615	-	112,306	274,097
Other expenses	2,538	22,975	135	-	-	25,648
Total indirect expenses	<u>1,251,295</u>	<u>367,065</u>	<u>87,670</u>	<u>21,101</u>	<u>113,912</u>	<u>1,841,043</u>
Total expenses	<u>6,780,966</u>	<u>3,105,787</u>	<u>747,975</u>	<u>795,878</u>	<u>113,912</u>	<u>11,544,518</u>
<b>Excess of Revenues Over Expenses (Expenses Over Revenues)</b>	<u>\$2,861,623</u>	<u>\$ (931,129)</u>	<u>\$(367,000)</u>	<u>\$(686,005)</u>	<u>\$ -</u>	<u>\$ 877,489</u>

**JUSTICE SYSTEM FUNDING SCHEDULE -**  
**COLLECTING/DISBURSING ENTITY**

**Judicial Expense Fund for the**  
**Civil District Court for the Parish of Orleans**  
 New Orleans, Louisiana

For the year ended December 31, 2023

	First Six Month Period Ended June 30, 2023	Second Six Month Period Ended December 31, 2023
	<u>                    </u>	<u>                    </u>
<b>Beginning Balance of Amounts Collected</b>	\$ -	\$ -
<b>Collections:</b>		
Civil fees	1,320,378	1,338,291
Bond fees	124,106	128,837
Service/collection fees	4,418	2,867
Interest earnings on collected balances	35,807	460,118
	<u>                    </u>	<u>                    </u>
Subtotal collections	1,484,709	1,930,113
<b>Disbursements to Governments and Nonprofits:</b>		
Judges supplemental comp, civil fees	143,381	158,622
Louisiana Supreme Court, civil fees	2,497	2,575
Pro Bono Project, civil fees	19,968	20,600
Southeast Louisiana Legal Aid, civil fees	29,952	30,900
	<u>                    </u>	<u>                    </u>
Subtotal disbursements	195,798	212,697
<b>Amounts Retained by Collecting Agency:</b>		
Collection fee for collecting/disbursing to others based on fixed amount		
Civil fees	1,124,580	1,125,594
Bond fees	124,106	128,837
Service/collection fees	4,418	2,867
Interest earned on collected balances	35,807	460,118
	<u>                    </u>	<u>                    </u>
Subtotal retainage	1,288,911	1,717,416
Ending balance of amounts collected but not disbursed/retained	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY**

**Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

	First Six Month Period Ended June 30, 2023	Second Six Month Period Ended December 31, 2023
Receipts from:		
Clerk of Orleans Parish Civil District Court, civil fees	<u>\$4,008,069</u>	<u>\$5,239,104</u>

**SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO CHIEF JUDGE**

**Judicial Expense Fund for the  
Civil District Court for the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

**Chief Judge Name:** Monique Barial

**Purpose:**

Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	622
Registration fees	625
Conference travel	1,744
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
	<hr/>
	<u>\$2,991</u>

\* The salary and related benefits for the Chief Judge is paid directly by the Supreme Court. As such, the judge receives no compensation for serving in her capacity on the En Banc.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**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  
GOVERNMENT AUDITING STANDARDS**

To the Judges En Banc  
Civil District Court Parish of Orleans  
Judicial Expense Fund,  
New Orleans, Louisiana.

We have audited, 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, the accompanying financial statements of the governmental activities and the major fund of the for the Parish of Orleans Judicial Expense Fund (the “Judicial Expense Fund”) as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise the Judicial Expense Fund’s basic financial statements, and have issued our report thereon dated May 7, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Judicial Expense Fund’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Expense Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Judicial Expense Fund’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 Judicial Expense Fund’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 preceding paragraph 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Judicial Expense Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 Judicial Expense Fund'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.



Certified Public Accountants.

New Orleans, Louisiana,  
June 30, 2024.

**SCHEDULE OF FINDINGS AND RESPONSES**

**Judicial Expense Fund of the Civil District Court  
for the Parish of Orleans  
New Orleans, Louisiana**

For the year ended December 31, 2023

**Section I - Summary of Auditor's Report**

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(as) identified?                     Yes  No
- Significant deficiency(is) identified that are  
not considered to be a material weakness?             Yes  None reported

Non-compliance material to financial statements noted?    Yes  No

b) Federal Awards

Judicial Expense Fund for the Civil District Court for the Parish of Orleans did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

**Section II - Financial Statement Findings**

No financial statement findings were reported during the audit for the year ended December 31, 2023.

**Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Judicial Expense Fund of the Civil District Court for the Parish of Orleans New Orleans, Louisiana**

For the year ended December 31, 2023

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2022.

No significant deficiencies were reported during the audit for the year ended December 31, 2022.

##### **Compliance**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2022.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

Judicial Expense Fund of the Civil District Court did not expend federal awards in excess of \$750,000 during the year ended December 31, 2022 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2022.



## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Judicial Expense Fund of the Civil District Court for the Parish of Orleans New Orleans, Louisiana**

For the year ended December 31, 2023

#### **Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2023.

No significant deficiencies were reported during the audit for the year ended December 31, 2023.

##### **Compliance**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2023.

#### **Section II - Internal Control and Compliance Material to Federal Awards**

Judicial Expense Fund of the Civil District Court did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

#### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

**STATEWIDE AGREED-UPON PROCEDURES (R.S. 24:513)**

**INDEPENDENT ACCOUNTANT’S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Judges En Banc,  
Civil District Court Parish of Orleans,  
Judicial Expense Fund,  
New Orleans, Louisiana.

We have performed the procedures described in Schedule 11 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2023 through December 31, 2023. The Judicial Expense Fund of the Civil District Court for the Parish of Orleans (the “Judicial Expense Fund”) management is responsible for those C/C areas identified in the SAUPs.

The Judicial Expense Fund 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 the LLA’s SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 11.

We were engaged by the Judicial Expense Fund to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 Judicial Expense Fund 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, Louisiana,  
May 7, 2024.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**Judicial Expense Fund of the Civil District Court**  
**for the Parish of Orleans**  
**New Orleans, Louisiana**

For the year ended December 31, 2023

The required procedures and our findings are as follows:

**1) Procedures Performed on the Judicial Expense Fund's Written Policies and Procedures:**

A. Obtain and inspect the Judicial Expense Fund's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Judicial Expense Fund's operations:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. **Disbursements**, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or the Judicial Expense Fund's additions.

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1) **Procedures Performed on the Judicial Expense Fund's Written Policies and Procedures:**  
(Continued)

- 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.  
Performance: Obtained and read the written policy for payroll and personnel.  
Exceptions: There were no exceptions noted.
- 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.  
Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- 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 Judicial Expense Fund's ethics policy.  
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Not applicable, as the Judicial Expense Fund has no debt.

**1) Procedures Performed on the Judicial Expense Fund's Written Policies and Procedures:  
(Continued)**

- x. **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.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written policy for prevention of sexual harassment.

Exceptions: There were no exceptions noted.

**2) Procedures Performed on the Judicial Expense Fund's 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 met with a quorum at least monthly, or on a frequency in accordance with the board/finance committee's enabling legislation, charter, bylaws, or other equivalent document.

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.

Exceptions: There were no exceptions noted.

**2) Procedures Performed on the Judicial Expense Fund's Board or Finance Committee:  
(Continued)**

- 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 unrestricted fund balance in the General Fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. The General Fund did not have a negative ending unassigned fund balance.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

**3) Procedures Performed on the Judicial Expense Fund's Bank Reconciliations:**

- A. Obtain a listing of the Judicial Expense Fund's bank accounts from management and management's representation that the listing is complete. Ask management to identify Judicial Expense Fund's main operating account. Select the Judicial Expense Fund'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:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- 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):

Performance: Obtained monthly bank reconciliations for April 2023 for the main operating bank account and the 4 additional other bank accounts selected. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.



**3) Procedures Performed on the Judicial Expense Fund's Bank Reconciliations: (Continued)**

- 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

Performance: Examined the Judicial Expense Fund's documentation, noting evidence of a member of management's review of the April 2023 bank reconciliations within one month of preparation for the bank accounts selected.

Exceptions: There were no exceptions noted.

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

Performance: We noted no reconciling items outstanding greater than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the Judicial Expense Fund's Collections (Excluding Electronic Funds Transfers):**

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing is complete.

Exceptions: There were no exceptions noted.

- i. Employees responsible for cash collections do not share cash drawers/registers.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the Judicial Expense Fund's Collections (Excluding Electronic Funds Transfers): (Continued)**

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manual, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Performance: Inspected policy manual, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manual, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Observed a copy of the bond/insurance policy for theft covering all employees who have access to was in forced during the fiscal year.

Exceptions: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that cash receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the Judicial Expense Fund's Collections (excluding electronic funds transfers): (Continued)**

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

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

Performance: We traced the deposit slip total to the actual deposit per the bank statement.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

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

Performance: Traced the actual deposit per the bank statement to the general ledger for the two deposits.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the Judicial Expense Fund's Non-Payroll Disbursements (Excluding Card Purchases/Payments, 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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter that the listing is complete. We noted that the Judicial Expense Fund only has one location that processes payments. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the Judicial Expense Fund's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

B. For each location selected under procedure #5A, 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 Judicial Expense Fund has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to job duties.

Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase.

Observed that at least two individuals are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least two employees are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing payments to vendors. Inquired with management if any individuals involved are adding/modifying vendor files. Also, examined purchasing policy which documented that the person responsible for processing payments does not add/modify vendor files.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved with signing and mailing checks and noted proper segregation of duties.

Exceptions: There were no exceptions noted.

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.

Not applicable, as there were no electronic disbursements during the year.

**5) Procedures Performed on the Judicial Expense Fund's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

C. For each location selected under procedure #5A, obtain the Judicial Expense Fund'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:

Performance: Obtained the Judicial Expense Fund's non-payroll disbursement transaction population and management's representation that the population is complete.

Exceptions: There were no exceptions noted.

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Judicial Expense Fund.

Performance: Observed that the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating deliverables were received.

Exceptions: There were no exceptions noted.

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

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

D. Using the Judicial Expense Fund'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 Judicial Expense Fund's policy, and (b) approved by the required number of authorized signers per the Judicial Expense Fund's policy.

Performance: Obtained the general ledger and observed that there were no electronic disbursements made during the fiscal year.

Exceptions: Not applicable, as there were no electronic disbursements during the year.

**6) Procedures Performed on the Judicial Expense Fund's 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.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

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

- 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

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

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

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, 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, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the Judicial Expense Fund's Credit Cards, Debit Cards, Fuel Cards, Purchase Cards (Cards): (Continued)**

- ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. 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.

Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on the Judicial Expense Fund's 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:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

- 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 (GSA) ([www.gsa.gov](http://www.gsa.gov));

Performance: Observed that there were 2 travel-related expense reimbursements in which a per-diem was used which was no more than the GSA rate.

Exceptions: There were no exceptions noted.

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

Performance: Observed that reimbursements using actual cost were supported by required documentation.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on the Judicial Expense Fund's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)**

- 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).

Performance: Inspected travel and travel-related expense reimbursements and observed that the reimbursements were supported by required documentation.

Exceptions: There were no exceptions noted.

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

Performance: Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person that received the reimbursement.

Exceptions: There were no exceptions noted.

**8) Procedures Performed on the Judicial Expense Fund's 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:

Not applicable, as the Judicial Expense Fund does not have any contracts.

- 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.

Not applicable, as the Judicial Expense Fund does not have any contracts.

- 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).

Not applicable, as the Judicial Expense Fund does not have any contracts.

- 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).

Not applicable, as the Judicial Expense Fund does not have any contracts.

- 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.

Not applicable, as the Judicial Expense Fund does not have any contracts.



**9) Procedures Performed on the Judicial Expense Fund's 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.

Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A, 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).

Performance: Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the Judicial Expense Fund's cumulative leave records.

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

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

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

**9) Procedures Performed on the Judicial Expense Fund's Payroll and Personnel: (Continued)**

- 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Judicial Expense Fund's policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the Judicial Expense Fund's policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and received management's representation that the list is complete. Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized pay rates in the employees' personnel files, and agreed the termination payments to the Judicial Expense Fund's policy.

Exceptions: There were no exceptions noted.

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

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

**10) Procedures Performed on the Judicial Expense Fund's 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.

Performance: Inspected personnel files and ethics course completion certificates for the employees selected.

Exceptions: There were no exceptions noted.

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

Performance: There were no changes to the ethics policy during the year.

Exceptions: There were no exceptions noted.

**10) Procedures Performed on the Judicial Expense Fund's Ethics: (Continued)**

- B. Inquire and/or observe whether the Judicial Expense Fund has appointed an ethics designee as required by R.S. 42:1170.

Performance: We inquired and received representation as to whether the Judicial Expense Fund appointed an ethics designee.

Exceptions: There were no exceptions noted.

**11) Procedures Performed on the Judicial Expense Fund's 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.

Not applicable, as the Judicial Expense Fund has no debt.

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

Performance: There were no bonds/notes outstanding at the end of the fiscal period as represented by management in a separate letter. There was no debt outstanding.

Not applicable, as the Judicial Expense Fund has no debt.

**12) Procedures Performed on the Judicial Expense Fund's 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 Judicial Expense Fund reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Judicial Expense Fund is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter.

None were noted.

Exceptions: There were no exceptions noted.

- B. Observe that the Judicial Expense Fund 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.

Performance: Observed fraud notice posted on the premises and on the website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

**13) Procedures Performed on the Judicial Expense Fund's 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 Judicial Expense Fund's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the Judicial Expense Fund's local server or network, and (c) was encrypted.

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

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

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

iii. Obtain a listing of the Judicial Expense Fund'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.

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

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using a 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.

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

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.

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

**14) Procedures Performed on the Judicial Expense Fund's Prevention of Sexual Harassment:**

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the Judicial Expense Fund's Payroll and Personnel procedure" #9A, obtain sexual harassment training documentation from management, and observe 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.

Performance: Obtained certificates of sexual harassment training for selected employees and verified the employees completed one hour of ethics training during the fiscal period.

Exceptions: There were no exceptions noted.

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

Performance: Observed the entity has posted its sexual harassment policy and complaint procedure on its website.

Exceptions: There were no exceptions noted.

- C. Obtain the Judicial Expense Fund'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.

Performance: Examined the annual sexual harassment report for the current fiscal.

Exceptions: There were no exceptions noted.

- ii. Number of sexual harassment complaints received by the agency.

Performance: Examined the annual sexual harassment report for the current fiscal.

Exceptions: There were no exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Examined the annual sexual harassment report for the current fiscal.

Exceptions: There were no exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Examined the annual sexual harassment report for the current fiscal.

Exceptions: There were no exceptions noted.

- v. Amount of time it took to resolve each complaint.

Performance: Examined the annual sexual harassment report for the current fiscal.

Exceptions: There were no exceptions noted.

**Management's Overall Response to Exceptions:**

There were no exceptions noted.