

**The Family Court of  
East Baton Rouge Parish –  
Judicial Expense Fund  
Baton Rouge, Louisiana  
Financial Report  
December 31, 2020**

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## **Independent Auditor's Report**

Mr. Ronald Bullion, Court Administrator,  
and the Honorable Judges of  
The Family Court of East Baton Rouge Parish – Judicial Expense Fund  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of The Family Court of East Baton Rouge Parish – Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise The Family Court of East Baton Rouge Parish – Judicial Expense Fund's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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 Family Court of East Baton Rouge Parish – Judicial Expense Fund as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of the net pension liability, schedule of contributions, and budgetary comparison schedule – general fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Family Court of East Baton Rouge Parish – Judicial Expense Fund's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule – receiving entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule – receiving entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule – receiving entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021 on our consideration of The Family Court of East Baton Rouge Parish – Judicial Expense Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Family Court of East Baton Rouge Parish – Judicial Expense Fund's 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 Family Court of East Baton Rouge Parish – Judicial Expense Fund's internal control over financial reporting and compliance.

*Hawthorn, Weymouth & Carroll, LLP.*

June 24, 2021

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Management’s Discussion and Analysis  
December 31, 2020**

The purpose of this section is to offer management’s discussion and analysis of The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s (“the Judicial Expense Fund”) financial performance during the year ended December 31, 2020. It should be read in conjunction with the financial report taken as a whole.

**Financial Highlights**

- The Judicial Expense Fund’s liabilities plus deferred inflows of resources exceed its assets plus deferred outflows of resources as of December 31, 2020 by \$4,608,010 (net position).
- The Judicial Expense Fund’s net position increased \$292,161 from the previous year.

**Government-wide Financial Statements**

Government-wide financial statements are designed to be similar to private sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements combine the governmental fund’s current financial resources with capital assets and long-term obligations. Donated infrastructure is included.

The Statement of Net Position presents information on all of the Judicial Expense Fund’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of whether or not the financial position of the Judicial Expense Fund is improving.

The Statement of Activities presents information on how the Judicial Expense Fund’s net position has changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. This is intended to summarize information and simplify the user’s analysis of cost of various governmental services and/or subsidy to various business-type activities.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds rather than generic fund types.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund presentation is presented on a modified accrual basis. This is the manner in which the financial plan is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principles (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s current financing requirements. The Judicial Expense Fund has presented the General Fund as a major fund.

**Capital Assets**

Capital assets include furniture and equipment and all other tangible assets that are used in operations that have estimated useful lives greater than two years and meet or exceed the government’s capitalization threshold (See Note # 3: Capital Assets).

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Management’s Discussion and Analysis  
December 31, 2020**

**Notes to Financial Statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements.

**GOVERNMENTAL ACTIVITIES**

The Judicial Expense Fund’s operations are funded extensively by the City of Baton Rouge and Parish of East Baton Rouge (“the City-Parish”). Operational funding by the City-Parish decreased by \$8,089, or 0.72%, from 2019. The other major source of funding for the Judicial Expense Fund is court fees, which decreased by \$53,957, or 20.46%, from 2019.

The following table reflects the condensed Statement of Net Position for 2020, with comparative figures from 2019:

**Condensed Statements of Net Position  
December 31, 2020 and 2019**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current assets	\$ 363,347	\$ 381,779
Capital assets, net of depreciation	<u>23,951</u>	<u>41,410</u>
Total assets	<u>387,298</u>	<u>423,189</u>
<b>Deferred Outflows of Resources</b>	<u>737,249</u>	<u>999,337</u>
<b>Liabilities</b>		
Current liabilities	16,582	20,024
Long-term liabilities	<u>4,514,055</u>	<u>4,818,710</u>
Total liabilities	<u>4,530,637</u>	<u>4,838,734</u>
<b>Deferred Inflows of Resources</b>	<u>1,201,920</u>	<u>1,483,964</u>
<b>Net Position</b>		
Net investment in capital assets	23,951	41,410
Unrestricted (deficit)	<u>(4,631,961)</u>	<u>(4,941,581)</u>
Total net position	<u>\$ (4,608,010)</u>	<u>\$ (4,900,171)</u>

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Management’s Discussion and Analysis  
December 31, 2020**

**GOVERNMENTAL ACTIVITIES** (Continued)

The table below provides a summary of the Statement of Activities for the year ended December 31, 2020, with comparative figures from 2019:

**Condensed Statements of Activities  
Years Ended December 31, 2020 and 2019**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Program Revenues</b>		
Charges for services	\$ 209,748	\$ 263,705
Operating grants and contributions	1,121,690	1,129,779
Total program revenues	1,331,438	1,393,484
<b>Expenses</b>		
Governmental activities	1,039,277	1,185,554
<b>Change in Net Position</b>	292,161	207,930
<b>Net Position, Beginning of Year</b>	(4,900,171)	(5,108,101)
<b>Net Position, End of Year</b>	\$ (4,608,010)	\$ (4,900,171)

**Contacting Management**

This financial report is designed to provide the citizens and taxpayers with a general overview of the Judicial Expense Fund’s finances and show the accountability for the money it receives. If you have any further questions about the report, or need additional information, contact the court administrative office at 300 North Boulevard, Baton Rouge, Louisiana, (225) 389-4680.

## **Basic Financial Statements**



**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Statement of Net Position  
December 31, 2020**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 363,347
Capital assets, net of depreciation	<u>23,951</u>
Total assets	<u>387,298</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflow amounts related to net pension liability	388,381
Deferred outflow amounts related to other postemployment benefit liability	<u>348,868</u>
Total deferred outflows of resources	<u>737,249</u>
<b>Liabilities</b>	
Accounts payable	15,584
Accrued liabilities	998
Non-current liabilities	
Due within one year	10,000
Due in more than one year	<u>4,504,055</u>
Total liabilities	<u>4,530,637</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflow amounts related to net pension liability	340,145
Deferred inflow amounts related to other postemployment benefit liability	<u>861,775</u>
Total deferred inflows of resources	<u>1,201,920</u>
<b>Net Position</b>	
Net investment in capital assets	23,951
Unrestricted (deficit)	<u>(4,631,961)</u>
Total net position	<u>\$ (4,608,010)</u>

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

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Statement of Activities  
Year Ended December 31, 2020**

<b>Functions and Programs</b>	<b>Program Revenues</b>			<b>Net</b>
<b>Governmental activities</b>	<b>Expenses</b>	<b>Charges for</b>	<b>Operating</b>	<b>Revenue</b>
<b>Judicial</b>	<b>Charges for</b>	<b>Services</b>	<b>Grants and</b>	<b>Contributions</b>
Judicial	<u>\$ 1,039,277</u>	<u>\$ 209,748</u>	<u>\$ 1,121,690</u>	<u>\$ 292,161</u>
Total governmental activities	<u>\$ 1,039,277</u>	<u>\$ 209,748</u>	<u>\$ 1,121,690</u>	<u>292,161</u>
Change in Net Position				292,161
Net Position				
Beginning of year				<u>(4,900,171)</u>
End of year				<u>\$ (4,608,010)</u>

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

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Balance Sheet  
Governmental Fund  
December 31, 2020**

	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 363,347
Total assets	<u>\$ 363,347</u>
<b>Liabilities</b>	
Accounts payable	\$ 15,584
Accrued liabilities	<u>998</u>
Total liabilities	<u>16,582</u>
<b>Fund Balance</b>	
Unassigned	<u>346,765</u>
Total fund balance	<u>346,765</u>
Total liabilities and fund balance	<u>\$ 363,347</u>

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

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Reconciliation of Governmental Fund Balance  
Sheet to the Statement of Net Position  
December 31, 2020**

Total governmental fund balance	\$	346,765
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		23,951
Certain long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the governmental fund:		
Deferred outflows of resources related to net pension liability	\$ 388,381	
Deferred outflows of resources related to other postemployment benefit liability	<u>348,868</u>	737,249
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental fund:		
Compensated absences payable	(115,755)	
Other postemployment benefit liability	(2,004,402)	
Net pension liability	(2,393,898)	
Deferred inflows of resources related to net pension liability	(340,145)	
Deferred inflows of resources related to other postemployment benefit liability	<u>(861,775)</u>	<u>(5,715,975)</u>
Net position of governmental activities	\$	<u><u>(4,608,010)</u></u>

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

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Statement of Revenues, Expenditures and Change in Fund Balance  
of Governmental Fund  
Year Ended December 31, 2020**

	<b>General Fund</b>
<b>Revenues</b>	
Fees and fines	\$ 209,748
Intergovernmental	<u>1,121,690</u>
Total revenues	<u>1,331,438</u>
<b>Expenditures</b>	
Current	
Judicial	1,353,933
Capital outlay	<u>2,495</u>
Total expenditures	<u>1,356,428</u>
<b>Change in Fund Balance</b>	(24,990)
<b>Fund Balance, beginning of year</b>	<u>371,755</u>
<b>Fund Balance, end of year</b>	<u><u>\$ 346,765</u></u>

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

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Reconciliation of the Statement of Revenues, Expenditures and Change in  
Fund Balance of Governmental Fund to the Statement of Activities  
Year Ended December 31, 2020**

Change in fund balance - governmental fund \$ (24,990)

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

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	\$ 2,495	
Depreciation expense	<u>(19,954)</u>	(17,459)

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 funds.

Increase in compensated absences payable	(3,695)	
Increase in other postemployment benefit liability	(271,579)	
Decrease in net pension liability	589,928	
Increase in deferred outflows of resources related to other postemployment benefit liability	159,916	
Decrease in deferred outflows of resources related to net pension liability	(422,004)	
Decrease in deferred inflows of resources related to other postemployment benefit liability	544,910	
Increase in deferred inflows of resources related to net pension liability	<u>(262,866)</u>	<u>334,610</u>

Change in net position of governmental activities \$ 292,161

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

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 1-Summary of Significant Accounting Policies**

The accompanying financial statements of The Family Court of East Baton Rouge Parish – Judicial Expense Fund (“the Judicial Expense Fund”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the *Codification for Governmental Accounting and Financial Reporting*.

The Judicial Expense Fund was established in 1980 under Act No. 505 and Act No. 809 of 1995 for the purpose of paying expenses for the Family Court deemed necessary by the judges for efficient operations of the court. The Judicial Expense Fund receives court fees collected on its behalf by the East Baton Rouge Parish Clerk of Court (“the Clerk of Court”).

As the governing authority of consolidated government, the City of Baton Rouge, Parish of East Baton Rouge (“the City-Parish”) is the financial reporting entity for the consolidated government. The financial reporting entity consists of the primary government (City-Parish), and includes all component units of which the City-Parish appoints a voting majority of the unit’s board; the City-Parish is either able to impose its will on the unit or a financial benefit or burden relationship exists.

The Judicial Expense Fund is part of the operations of the district court system that is fiscally dependent on the City-Parish. The City-Parish provides the court office space, courtrooms, personnel services, and other supplies and services. The nature of the relationship between the Judicial Expense Fund, the District Court, and the City-Parish is significant. Therefore, the Judicial Expense Fund was determined to be a component unit of the City-Parish, the financial reporting entity.

The accompanying financial statements present information only on the Judicial Expense Fund maintained by The Family Court of East Baton Rouge Parish and do not present any other information on the District Court, the City-Parish, the general government services provided by the governmental unit, or other government units that comprise the financial reporting entity.

A. Basis of Presentation

The Judicial Expense Fund’s basic financial statements consist of the government-wide statements and the general fund statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

B. Basic Financial Statements

*Government-wide Financial Statements* – The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The government-wide presentation focuses primarily on the sustainability of the Judicial Expense Fund and the change in aggregate financial position resulting from the activities of the fiscal period.

*Fund Financial Statements* – The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 1-Summary of Significant Accounting Policies (Continued)**

B. Basic Financial Statements (Continued)

Only the governmental fund type is used by the Judicial Expense Fund. The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The fund used by the Judicial Expense Fund is described as follows:

*General Fund* – The general fund is the general operating fund and accounts for all activities of the Judicial Expense Fund.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded, regardless of the measurement focus applied.

*Measurement Focus* – The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, change in net position, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the statement of net position. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

*Basis of Accounting* – The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when “measurable and available.” Measurable means the amount of the transaction can be determined and available means collectible within the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

D. Cash and Cash Equivalents

Cash and cash equivalents include all demand deposits, savings accounts and certificates of deposit that do not contain a material early withdrawal penalty.

E. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Receivables are included in the fund financial statements if they are both measurable and available. Interest earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

F. Capital Assets

Capital assets reported herein include only those assets purchased by the Judicial Expense Fund and do not reflect assets of the court obtained from other sources.



**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 1-Summary of Significant Accounting Policies (Continued)**

F. Capital Assets (Continued)

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$500 or more are capitalized and reported at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Office furniture and equipment      5 – 7 years

In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the fund upon acquisition.

G. Revenues

Substantially all governmental fund revenues are accrued. Those revenues include filing and license fees, fines, and court costs collected by other agencies and remitted to the Judicial Expense Fund in the following month, as well as amounts due under grant contracts, interest, and transcript charges to attorneys. As a grant recipient, grant receivables and revenue are recognized when the applicable eligibility requirements, including time requirements, are met.

H. Compensated Absences

The annual and sick leave plan adopted by the Judicial Expense Fund provides a maximum of 48 days per year per eligible employee. Upon termination, employees are paid for their unused vacation leave. Sick leave is allowed to accrue and accumulate. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payment is made for the unused accumulation.

Employees of the Judicial Expense Fund may accrue up to 30 days of compensatory time in lieu of overtime payment. Compensatory leave is paid by the Judicial Expense Fund upon termination, resignation, retirement or death up to the maximum accrual amounts. Whenever an employee exceeds the maximum accrual amounts, the excess is paid to the employee during the following month.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments upon termination or retirement. The Judicial Expense Fund records a liability for accrued vacation and compensatory time for each employee up to 120 days at the employees' current rates of pay.

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination. Since the amount of accumulated sick leave lapses upon termination, no amount has been accrued.

The accrued compensated absences shown in the accompanying financial statements represent the liability for all employees of the Judicial Expense Fund, except the judges and the commissioners.

The liability (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 1-Summary of Significant Accounting Policies (Continued)**

I. Fund Balance

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance* – amounts that are not in a spendable form or are required to be maintained intact;
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- *Committed fund balance* – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- *Assigned fund balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and
- *Unassigned fund balance* – amounts that are available for any purpose. The general fund is the only fund that reports positive amounts.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Judicial Expense Fund considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Judicial Expense Fund has provided otherwise in its commitment or assignment actions.

At December 31, 2020, the Judicial Expense Fund only had unassigned fund balance.

J. Net Position

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets, if applicable.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those restricted assets. The restricted component of net position is used when there are limitations imposed on the use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.

The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use for a particular project or purpose, it is the Judicial Expense Fund's policy to use restricted resources first, then unrestricted resources as they are needed.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 1-Summary of Significant Accounting Policies (Continued)**

K. Deferred Outflows/Inflows of Resources

The statement of net position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 2-Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand and time deposits. The Judicial Expense Fund may deposit funds in demand deposit, interest-bearing demand deposit, money-market, or time deposit accounts in accordance with Louisiana Revised Statutes 39:1241-1245. As of December 31, 2020, the Judicial Expense Fund’s bank balances were fully insured by federal deposit insurance and not exposed to custodial credit risk.

**Note 3-Capital Assets**

Capital asset activity for the year ended December 31, 2020 is as follows:

	<b>Balance December 31, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2020</b>
Office furniture and equipment	\$ 329,178	\$ 2,495	\$ -	\$ 331,673
Accumulated depreciation	<u>(287,768)</u>	<u>(19,954)</u>	<u>-</u>	<u>(307,722)</u>
Capital assets, net	<u>\$ 41,410</u>	<u>\$ (17,459)</u>	<u>\$ -</u>	<u>\$ 23,951</u>

Depreciation expense charged to governmental activities was \$19,954 for the year ended December 31, 2020.

**Note 4-Salary Expenditures**

The Judicial Expense Fund administers and disburses payroll for all Family Court employees, excluding the judges and the commissioners. The City-Parish reimburses the Judicial Expense Fund for those salaries which are appropriated in the City-Parish budget. Also, the Clerk of Court reimburses the Judicial Expense Fund for a portion of an employee’s salary who works for both the Judicial Expense Fund and the Clerk of Court.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 5-Defined Benefit Pension Plan**

Plan Description

The Judicial Expense Fund contributes to the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System ("CPERS"). The plan is a cost-sharing, multiple-employer defined benefit pension plan. The plan is administered by a board of trustees. The plan provides retirement benefits, disability benefits, annual cost-of-living adjustments, and death benefits to the plan members and their beneficiaries.

CPERS is considered a component unit of the financial reporting entity of the City-Parish and is included as a pension trust fund in the City-Parish's Comprehensive Annual Financial Report and Annual Operating Budget. CPERS is governed by a seven-member Board of Trustees ("the Board"). The Board is responsible for administering the assets of CPERS and for making policy decisions regarding investments. The City of Baton Rouge and Parish of East Baton Rouge Metropolitan Council ("the Metropolitan Council") maintains the authority to establish and amend plan benefits.

CPERS issues publicly available financial reports that include financial statements and required supplementary information for the plan. The financial reports may be obtained from the:

Retirement Administrator  
Employees' Retirement System  
City of Baton Rouge, Parish of East Baton Rouge  
Post Office Box 1471  
Baton Rouge, Louisiana 70821-1471

Retirement Benefits

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes a regular full-time employee of one of the member employers becomes a member of the CPERS Trust as a condition of employment except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system, or those covered under a collective bargaining agreement. Contractual employees may or may not become members, depending upon the provisions of their respective contracts.

Substantially all full-time non-police employees of the City-Parish and other member employers are covered by the CPERS Trust. CPERS Trust actuarially determines the contributions required to fund the plan and collects the contributions as a percentage of payroll each payroll period. The CPERS Trust exists for the sole benefit of current and former employees of the member employers.

A. Normal Retirement

An employee's benefit rights vest after the employee has been a member of the CPERS Trust for 10 years. Benefit payments are classified into two distinct categories: 1) full retirement benefits, and 2) minimum eligibility benefits. As a cost saving measure, certain benefits were changed affecting members whose most recent hire date was September 1, 2015 or later.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 5-Defined Benefit Pension Plan (Continued)**

*Retirement Benefits* (Continued)

A. Normal Retirement (Continued)

The service requirements and benefits granted for each category and by hire date, for non-public safety members (NPS) and public safety members (PS) are:

	<b>Members hired before <u>September 1, 2015</u></b>	<b>Members hired on or after <u>September 1, 2015</u></b>
<b>Full retirement benefits:</b>	25 years' service, any age	25 years' service, age 55 NPS or age 50 PS
Formula	3% of average compensation times number of years of service	3% of average compensation times number of years of service
<b>Minimum eligibility benefits:</b>	20 years' service, any age, or 10 years at age 55	20 years' service, any age, or 10 years at age 60 NPS, or age 55 PS
Formula	2.5% of average compensation times number of years of service	2.5% of average compensation times number of years of service
<b>Average compensation</b>	Highest successive 36 months	Highest successive 60 months
<b>Early retirement</b>	20 years' service, 3% penalty for each year below age 55	20 years' service, actuarially reduced benefit below age 55 NPS, or age 50 PS
<b>Disability retirement:</b>		
Service connected	50% of average compensation plus 1.5% for each service year above 10 years	50% of average compensation plus 1.5% for each service year above 10 years
Ordinary	10 years' service, 50% of average compensation, or 2.5% times number of years of service, whichever is greater	10 years' service, 50% of average compensation, or 2.5% times number of years of service, whichever is greater
<b>Survivor benefits:</b>		
Service allowance	Automatic 50% J&S benefit, or member can purchase additional survivor benefits by actuarial benefit reduction.	All survivor benefits must be purchased by actuarial benefit reduction

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 5-Defined Benefit Pension Plan (Continued)**

Retirement Benefits (Continued)

A. Normal Retirement (Continued)

	<b>Members hired before <u>September 1, 2015</u></b>	<b>Members hired on or after <u>September 1, 2015</u></b>
<b>Survivor benefits:</b>		
Service allowance	Automatic 50% J&S benefit, or member can purchase additional survivor benefits by actuarial benefit reduction.	All survivor benefits must be purchased by actuarial benefit reduction
Service-connected disability	Automatic 50% J&S benefit	All survivor benefits must be purchased by actuarial benefit reduction
<b>Ordinary disability:</b>	No survivor benefits provided	No survivor benefits provided
Member with 20 or more years of service	100% J&S benefit, based on member's benefit	100% J&S benefit, based on member's benefit
Member with less than 20 years of service, years of service retirement eligible	\$600/ month benefit until earlier of death or remarriage, plus \$150/ month per child under age 18 (limit \$300/ month)	\$600/ month benefit until earlier of death or remarriage, plus \$150/ month per child under age 18 (limit \$300/ month)

B. Deferred Retirement Option Plan (DROP)

Deferred retirees (participants in DROP) are members who are eligible for retirement but have chosen to continue employment for a maximum of five years. Pension annuities are fixed for these employees and can never be increased, and neither employee nor employer contributions are contributed to the CPERS Trust on their earnings. DROP deposits for the amount of the participant's monthly benefits are placed in a deferred reserve account until the deferred retirement option period elapses, or until the employee discontinues employment, whichever comes first. These accounts bear interest beginning with the date of the initial deposit for employees who fulfill the provisions of their DROP contract. Failure to fulfill these provisions, specifically to terminate employment at the end of the maximum DROP participation period, results in the enforcement of certain penalty provisions, such as forfeiture of interest and disbursement of the balance of the DROP account to the member or to another qualifying pension plan.

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

CPERS has no true cost of living benefit but did implement the Supplemental Benefit Payment (SBP) in 2006, which is a non-recurring, non-guaranteed lump sum payment to qualifying retirees and which must be declared for payment by the Board each year. Funding comes from mortality savings from a prior benefit adjustment and from excess investment revenues. In aggregate, the amounts distributed to retirees cannot exceed the funds declared available for distribution. On an individual basis, a formula is used to determine payment amounts based on the retiree's number of years retired, years of service, and participation in the DROP.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 5-Defined Benefit Pension Plan (Continued)**

Funding Policy

Contribution rates for each participating employer and its covered employees are established and may be amended by the CPERS Board of Trustees, with approval by the Metropolitan Council. The contribution rates are determined based on the benefit structure established by the plan provisions. For 2019, members contributed 9.5% of their annual covered salary, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264(A)1(b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the Plan’s actuary. For 2019, the employer contribution rate was 35.10%. Administrative costs of the Retirement System are provided through investment earnings.

At December 31, 2020, the Judicial Expense Fund reported a liability of \$2,393,898 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2019, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The allocation method used in determining the Judicial Expense Fund’s proportion was based on their contribution effort to the plan for 2019 as compared to the total of all employers’ projected contribution effort to the plan for 2019. The projected contribution effort was actuarially determined by the CPERS Trust’s actuary. At December 31, 2019, the Judicial Expense Fund’s proportion was 0.3804%, which was a decrease of 0.0264% from its proportion measured as of December 31, 2018. For the year ended December 31, 2020, the Judicial Expense Fund recognized pension expense of \$94,942.

At December 31, 2020, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 102,564	\$ -
Net difference between projected and actual earnings on pension plan investments	-	101,377
Changes in assumptions	60,210	91,486
Changes in proportion	63,829	125,926
Differences between Employer contributions and proportionate share of contributions	-	21,356
Contributions subsequent to measurement date	<u>161,778</u>	<u>-</u>
	<u>\$ 388,381</u>	<u>\$ 340,145</u>

The Judicial Expense Fund reported a total of \$161,778 as deferred outflows of resources related to pensions resulting from the Judicial Expense Fund’s contributions subsequent to the measurement date. This amount will be recognized as a reduction of the Net Pension Liability in the year ending December 31, 2021.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 5-Defined Benefit Pension Plan (Continued)**

Funding Policy (Continued)

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

<b>Year Ending December 31,</b>		
2021	\$	21,894
2022		1,588
2023		(10,691)
2024		(126,333)
	<u>\$</u>	<u>(113,542)</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 is as follows for the CPERS Trust:

<b>Valuation Date</b>	December 31, 2019 on a valuation date of January 1, 2020		
<b>Actuarial Cost Method</b>	Entry age normal		
<b>Actuarial Assumptions:</b>			
<b>Expected Remaining Service Lives</b>	5 years		
<b>Investment Rate of Return</b>	7.00% per year, compounded annually, net of investment expenses		
<b>Inflation Rate</b>	2.25%		
<b>Discount Rate</b>	7.00%		
<b>Mortality</b>	Healthy: RP-2006 Blue Collar (employee for active and annuitant for inactives) Projected back to 2001, Generational with MP 2018 (2016 base year)		
	Disabled: RP-2006 Disabled Table Projected back to 2001, Generational with MP 2018 (2016 base year)		

<b>Salary Increases</b>	<u>Years of Service</u>	<u>Age</u>	<u>Percent of Increase</u>
	Less than 1 year	22	7.60%
		27-32	4.90%
		37-62	3.40%
		67	1.50%



**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 5-Defined Benefit Pension Plan (Continued)**

Funding Policy (Continued)

<b>Salary Increases (Continued)</b>	<b><u>Years of Service</u></b>	<b><u>Age</u></b>	<b><u>Percent of Increase</u></b>
	1 year or more	22	7.60%
	27	3.50%	
	32	3.50%	
	37	3.25%	

**Cost of Living Adjustments**                                          None

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are as follows:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Domestic Equity	32.5%	7.50%
International Equity	17.5%	8.50%
Domestic Bonds	25.0%	2.50%
International Bonds	5.0%	3.50%
Real Estate	15.0%	4.50%
Alternative Assets	5.0%	5.70%
Total	<u>100.0%</u>	

Sensitivity of Employer's Proportionate Share of Net Pension Liability to Changes in Discount Rate

The following presents the Judicial Expense Fund's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<b><u>Changes in Discount Rate</u></b>		
	<b><u>1% Decrease (6.00%)</u></b>	<b><u>Current Discount Rate (7.00%)</u></b>	<b><u>1% Increase (8.00%)</u></b>
Judicial Expense Fund's proportionate share of net pension liability	<u>\$ 3,022,580</u>	<u>\$ 2,393,898</u>	<u>\$ 1,867,091</u>

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 6-Other Postemployment Benefit Plan (OPEB)**

The Judicial Expense Fund employees may, at their discretion, participate in the employees’ group life, health, and dental insurance programs sponsored by the government and administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan Description

The Plan is a single-employer defined benefit “substantive plan” as understood by past practices of the employer and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communications to plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972 and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a fully-vested employee may continue his or her coverage paying the same premiums and receiving the same benefits as active employees.

The government pays the following percentages of scheduled premiums:

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10	25%
10 - 15 years	50%
15 - 20 years	75%
Over 20 years	100%

Funding Policy

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During the measurement period, the dental plan was funded with employees and retirees contributing 48% of the dental premiums and the City-Parish contributing 52% of the dental premiums. During the measurement period, the health plan was funded with employees and retirees contributing 8% - 38% of the annually-adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The City-Parish and component unit employers contributed the corresponding 62% - 92% of the premium base. One hundred percent of required premiums on the \$5,000 retiree life insurance policy are funded by the employer. The employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB plan.

The employer contribution to the OPEB plan for 2020 totaled \$107,744 as approved by the Metropolitan Council in the 2020 operating budget.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 6-Other Postemployment Benefit Plan (OPEB) (Continued)**

*Total OPEB Liability, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB*

At December 31, 2020, the Judicial Expense Fund reported a liability of \$2,004,402 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020. At December 31, 2019 and 2018 measurement dates, the Judicial Expense Fund’s proportion was 0.17%.

For the year ended December 31, 2020, the Judicial Expense Fund recognized OPEB benefit of \$433,247.

At December 31, 2020, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 32,242	\$ -
Changes in assumptions	151,660	88,160
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,222	773,615
Contributions subsequent to measurement date	107,744	-
	<b>\$ 348,868</b>	<b>\$ 861,775</b>

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of \$107,744 will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

<b>Year Ending December 31,</b>	
2021	\$ 434,275
2022	230,912
2023	(44,536)
	<b>\$ 620,651</b>

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 6-Other Postemployment Benefit Plan (OPEB) (Continued)**

Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Inflation	2.30%
Salary Increases	3.00% (average rate)
Discount Rate	2.74%
Healthcare Cost Trend Rates	
Medical - Medicare Eligible	0% for 2019-2020, 5.6% for 2021, gradually decreasing to an ultimate rate of 3.7% for 2074 and beyond.
Medical - Non-Medicare Eligible	0% for 2019-2020, 6.1% for 2021, gradually decreasing to an ultimate rate of 3.7% for 2074 and beyond.
Medical - Medicare Advantage	0% for 2019-2020, 5.3% for 2021, gradually decreasing to an ultimate rate of 3.7% for 2074 and beyond.
Dental	0% for 2019-2020, 3.84% for 2021, gradually decreasing to an ultimate rate of 3.62% for 2075 and beyond.
Mortality	Pub-2010 general mortality with generational projection per Scale MP-2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Judicial Expense Fund’s proportionate share of the total OPEB liability, calculated using the discount rate of 2.74%, as well as what the Judicial Expense Fund’s proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.74%) or one percentage point higher (3.74%) than the current rate:

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease (1.74%)</u>	<u>Current Discount Rate (2.74%)</u>	<u>1% Increase (3.74%)</u>
Judicial Expense Fund’s proportionate share of total OPEB liability	<u>\$ 2,448,953</u>	<u>\$ 2,004,402</u>	<u>\$ 1,668,904</u>

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 6-Other Postemployment Benefit Plan (OPEB) (Continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following presents the Judicial Expense Fund’s proportionate share of the total OPEB liability, calculated using the current healthcare cost trend rates, as well as what the Judicial Expense Fund’s proportionate share of the total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates:

	<b>Change in Healthcare Cost Trend Rates</b>		
	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Judicial Expense Fund’s proportionate share of total OPEB liability	\$ 1,646,061	\$ 2,004,402	\$ 2,482,672

**Note 7-Non-current Liabilities**

The following is a summary of changes in non-current liabilities for the year ended December 31, 2020:

	<b>Balance, December 31, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance, December 31, 2020</b>	<b>Due Within One Year</b>
Governmental Activities					
Compensated absences payable	\$ 112,060	\$ 50,314	\$ (46,619)	\$ 115,755	\$ 10,000
Net pension liability	2,983,826	266,714	(856,642)	2,393,898	-
Net OPEB liability	1,732,823	324,197	(52,618)	2,004,402	-
Total non-current liabilities	\$ 4,828,709	\$ 641,225	\$ (955,879)	\$ 4,514,055	\$ 10,000

**Note 8-Concentrations of Credit Risk**

Intergovernmental revenues represent amounts received from East Baton Rouge Parish governmental agencies. Receipt of these amounts is partly dependent upon the economic and financial conditions within East Baton Rouge Parish.

**Note 9-Risks and Uncertainties**

The COVID-19 pandemic has caused extensive disruptions to the global, national and regional economy. Governments, businesses, and the public are taking unprecedented actions to contain the spread of COVID-19 and to mitigate its effects, including quarantines, travel bans, shelter-in-place orders, closures of businesses and schools, fiscal stimulus, and legislation designed to deliver monetary aid and other relief. While the scope, duration, and full effects of COVID-19 are rapidly evolving and not fully known, the pandemic and related efforts to contain it have disrupted economic activity. If these implications continue for a prolonged period or result in sustained economic stress or recession, there could be a material adverse effect on the Judicial Expense Fund related to operations and liquidity.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Financial Statements  
December 31, 2020**

**Note 10-Subsequent Events**

The Judicial Expense Fund evaluated all subsequent events through June 24, 2021, the date the financial statements were available to be issued. As a result, no subsequent events that required adjustment to, or disclosure in, these financial statements were noted.

**Required Supplementary Information**

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Years Ended December 31, 2020, 2019, and 2018\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 46,735	\$ 37,976	\$ 67,932
Interest on total OPEB liability	71,797	58,874	121,193
Effect of plan changes	-	73,546	(20,405)
Effect of economic/demographic gains or (losses)	-	70,659	4,604
Effect of assumption changes or inputs	205,665	(199,632)	13,444
Effect of change in proportion	(4,681)	(1,747,751)	-
Benefit payments	<u>(47,937)</u>	<u>(44,005)</u>	<u>(78,399)</u>
Net change in total OPEB liability	271,579	(1,750,333)	108,369
Total OPEB liability, beginning	<u>1,732,823</u>	<u>3,483,156</u>	<u>3,374,787</u>
Total OPEB liability, ending	<u>\$ 2,004,402</u>	<u>\$ 1,732,823</u>	<u>\$ 3,483,156</u>
Covered payroll	\$ 290,491	\$ 487,258	\$ 570,204
Total OPEB liability as a percentage of covered payroll	690.00%	355.63%	610.86%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Schedule of Proportionate Share of the Net Pension Liability  
City of Baton Rouge and Parish of East Baton Rouge Employees’ Retirement System  
Years Ended December 31, 2020, 2019, 2018, 2017, 2016, and 2015\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Judicial Expense Fund’s</b>						
Proportion of net pension liability	0.38%	0.41%	0.38%	0.38%	0.45%	0.41%
Proportionate share of net pension liability	\$2,393,898	\$2,983,827	\$2,058,448	\$2,263,810	\$2,590,246	\$1,785,254
Covered payroll	\$ 460,906	\$ 426,520	\$ 570,204	\$ 554,528	\$ 509,715	\$ 594,266
Proportionate share of net pension liability as a percentage of covered payroll	519.39%	699.57%	361.00%	408.24%	508.18%	300.41%
Plan fiduciary net position as a percentage of total pension liability	65.47%	59.36%	68.80%	64.09%	63.95%	70.90%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Schedule of Contributions  
City of Baton Rouge and Parish of East Baton Rouge Employees’ Retirement System  
Years Ended December 31, 2020, 2019, 2018, 2017, 2016, and 2015\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 161,778	\$ 151,372	\$ 173,570	\$ 156,377	\$ 135,584	\$ 153,880
Contributions in relation to the contractually required contribution	\$ 161,778	\$ 151,372	\$ 173,570	\$ 156,377	\$ 135,584	\$ 153,880
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer’s covered payroll	\$ 460,906	\$ 426,520	\$ 570,204	\$ 554,528	\$ 509,715	\$ 594,266
Contributions as a percentage of covered payroll	35.10%	35.49%	30.44%	28.20%	26.60%	25.89%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Budgetary Comparison Schedule - General Fund  
Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees and fines	\$ -	\$ 197,000	\$ 209,748	\$ 12,748
Intergovernmental	<u>1,131,110</u>	<u>1,131,110</u>	<u>1,121,690</u>	<u>(9,420)</u>
Total revenues	<u>1,131,110</u>	<u>1,328,110</u>	<u>1,331,438</u>	<u>3,328</u>
<b>Expenditures</b>				
Current				
Judicial	1,131,110	1,328,110	1,353,933	(25,823)
Capital outlay	<u>-</u>	<u>-</u>	<u>2,495</u>	<u>(2,495)</u>
Total expenditures	<u>1,131,110</u>	<u>1,328,110</u>	<u>1,356,428</u>	<u>(28,318)</u>
<b>Change in Fund Balance</b>	-	-	(24,990)	31,646
<b>Fund Balance</b>				
Beginning of year	<u>371,755</u>	<u>371,755</u>	<u>371,755</u>	-
End of year	<u>\$ 371,755</u>	<u>\$ 371,755</u>	<u>\$ 346,765</u>	<u>\$ (24,990)</u>

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Required Supplementary Information  
December 31, 2020**

*Notes to the schedule of changes in total OPEB liability and related ratios:*

**Note 1-Changes of Benefit Terms**

There were no changes of benefit terms for the year ended December 31, 2020.

**Note 2-Changes in Assumptions**

The discount rate changed from 4.10% as of the December 31, 2018 measurement date to 2.74% as of the December 31, 2019 measurement date.

*Notes to the schedules of proportionate share of net pension liability and contributions:*

**Note 3-Changes of Benefit Terms**

There were no changes of benefit terms for the year ended December 31, 2020.

**Note 4-Changes in Assumptions**

The discount rate changed from 7.04% as of the December 31, 2018 measurement date to 7.00% as of the December 31, 2019 measurement date.

*Notes to the budgetary comparison schedule:*

**Note 5-Budgetary Accounting and Control**

A. Budget Law

The Judicial Expense Fund annual operating budget is prepared by the City of Baton Rouge, Parish of East Baton Rouge, according to the provisions of the Louisiana Municipal Budget Act. In accordance with those provisions, the following procedures are used in adopting the annual budget for the General Fund:

1. An operating budget is prepared for the general fund at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year;
2. The budget is available for public inspection at least fifteen days prior to the beginning of the fiscal year;
3. The budget is adopted after consideration of public comment, if any, and authorized for implementation on the first day of the fiscal year;
4. The general fund budget is prepared on a detailed line item basis with revenues budgeted by source. Expenditures are budgeted by category (personal services, group benefits, supplies, contractual services and capital outlay). Total expenditures constitute the legal level of control. Expenditures may not exceed the sum of appropriations plus the unreserved prior year fund balance. The budget may be revised during the year as estimates regarding revenues and expenditures change; and
5. Appropriations lapse at the end of each fiscal year.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Notes to Required Supplementary Information  
December 31, 2020**

**Note 5-Budgetary Accounting and Control (Continued)**

B. Budgetary Accounting

The general fund budget is prepared using the modified accrual basis of accounting.

## **Supplementary Information**

**The Family Court of East Baton Rouge Parish –  
 Judicial Expense Fund  
 Schedule of Compensation, Benefits, and Other  
 Payments to Agency Head or Chief Executive Officer  
 Year Ended December 31, 2020**

**Agency Head Name: Ronald Bullion, Court Administrator**

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,544
Benefits - insurance	8,851
Benefits - retirement	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	614
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

**The Family Court of East Baton Rouge Parish – Judicial Expense Fund  
Justice System Funding Schedule – Receiving Entity – Cash Basis  
As Required by Act 87 of the 2020 Regular Legislative Session  
Cash Basis Presentation  
Six Month Periods Ended June 30 and December 31, 2020**

	<b>Six Month Period Ended <u>June 30, 2020</u></b>	<b>Six Month Period Ended <u>December 31, 2020</u></b>
<b>Receipts From:</b>		
East Baton Rouge Parish Clerk of Court, filing fees - child support	\$ 4,337	\$ 5,012
East Baton Rouge Parish Clerk of Court, filing fees	40,258	69,842
East Baton Rouge Parish Sheriff's Office, criminal fines - contempt	19,465	19,400
State of Louisiana, interest earnings on collected balances	<u>22,464</u>	<u>22,298</u>
Total receipts	<u>\$ 86,524</u>	<u>\$ 116,552</u>
<b>Ending Balance of Amounts Assessed but Not Received</b>	<u>\$ -</u>	<u>\$ -</u>





**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***

Mr. Ronald Bullion, Court Administrator,  
and the Honorable Judges of  
The Family Court of East Baton Rouge Parish – Judicial Expense Fund  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of The Family Court of East Baton Rouge Parish – Judicial Expense Fund as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s basic financial statements and have issued our report thereon dated June 24, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Family Court of East Baton Rouge Parish – 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 entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hawthorn, Waymouth & Carroll, L.L.P.*

June 24, 2021

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Schedule of Findings and Responses  
Year Ended December 31, 2020**

Part I. Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of The Family Court of East Baton Rouge Parish – Judicial Expense Fund as of and for the year ended December 31, 2020, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

Part II. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

**The Family Court of East Baton Rouge Parish –  
Judicial Expense Fund  
Schedule of Prior Year Findings  
Year Ended December 31, 2020**

Part I. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended December 31, 2019.