

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

**FINANCIAL STATEMENTS**

December 31, 2021





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# Judicial Expense Fund

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June 29, 2022

To: Chief Judge Bernadette D'Souza  
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 for the Civil District Court for the Parish of Orleans, also including First and Second City Courts, (the Judicial Expense Fund), for the fiscal year ended December 31, 2021. 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 auditors' report, and should be read in conjunction with it.

## **Independent Audit**

These financial statements have been audited by the firm of Carr, Riggs and Ingram, LLC. 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 for the fiscal year ended December 31, 2021 are free of 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 for the year ended December 31, 2021 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 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. At December 31, 2021, the Judicial Expense Fund did not have any debt, and all of the Fund Balance is unassigned or nonspendable.

As the Organizational Chart on page 6 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 1, 2020, adopted a budget for the fiscal year ending December 31, 2021. This Budget was amended by the *Judges En Banc* at a public meeting on December 7, 2021. 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 part of the basic financial statements.

## **Capital Improvement Projects**

In 2018, a capital improvement project was implemented to replace the flooring in the courtrooms and offices of the Civil District Courthouse and to update computer equipment. The capital improvement projects continued in 2020 and in 2021. This project has now been completed.

## **Investments**

Currently, idle funds are invested only in two money market accounts and Certificates of Deposit. 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 worker's compensation. Please see Note 7 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. In June, 2012 the GASB issued Statement Number 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27*. The Judicial Expense Fund began implementing this statement in 2015. Note 10 contains additional pension information, including employer and employee contribution rates for 2021.

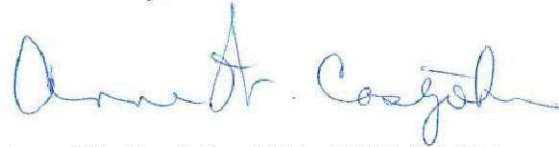
## **Postemployment Benefits**

GASB Statement Number 75, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 45*, was adopted by the State of Louisiana 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 Michele Collins, Judicial Administrator, 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,

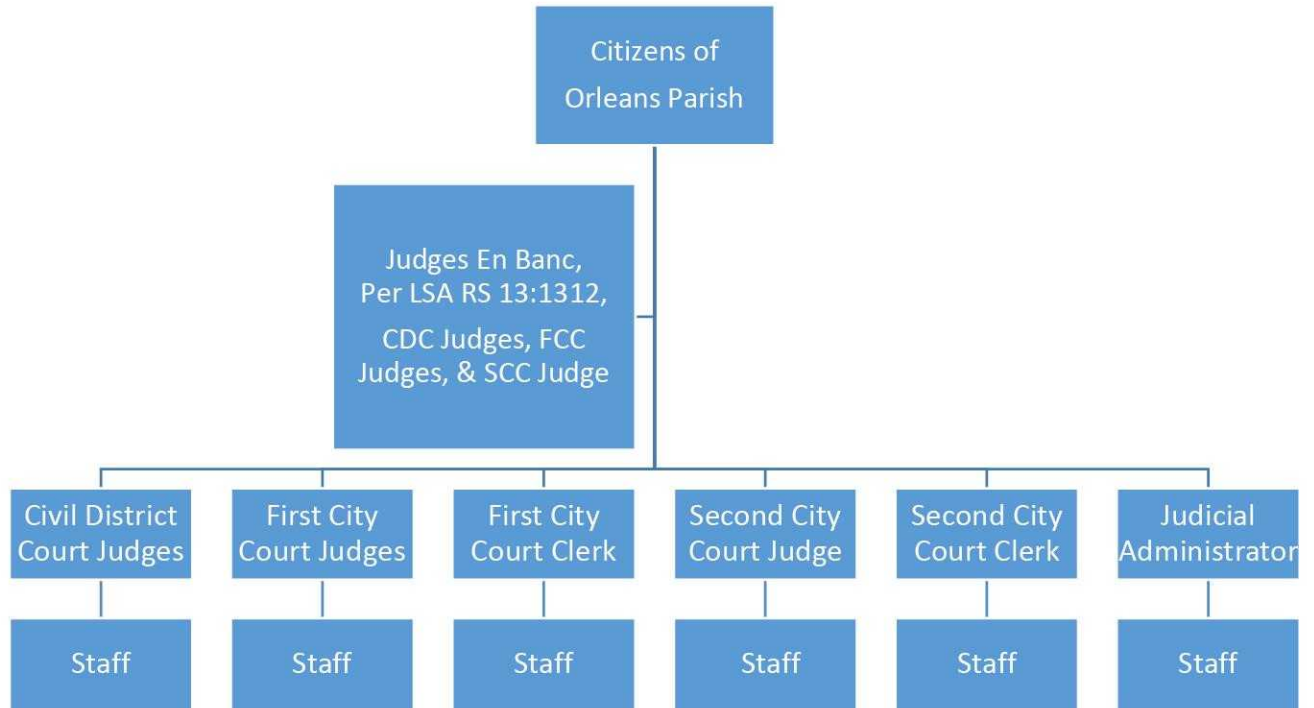
A handwritten signature in blue ink that reads "Anne W. Castjohn". The signature is fluid and cursive, with a large initial "A" and "C".

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

**Judicial Expense Fund for Civil District Court of the Parish of Orleans  
Principal Officials  
As of December 31, 2021**

| Judge's Name                           | Court                      | Division  |
|--|----------------------------|-----------|
| <b><i>2021 Judges en Banc</i></b>      |                            |           |
| Ellen M. Hazeur                        | Civil District Court       | A         |
| Rachel D. Johnson                      | Civil District Court       | B         |
| Sidney H. Cates, IV                    | Civil District Court       | C         |
| Nakisha Ervin Knott                    | Civil District Court       | D         |
| Omar Mason                             | Civil District Court       | E         |
| Jennifer M. Medley                     | Civil District Court       | F         |
| Robin M. Giarrusso                     | Civil District Court       | G         |
| Monique Barial                         | Civil District Court       | H         |
| Lori N. 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 |
| Marissa Hutabarat                      | First City Court           | B         |
| Veronica Henry                         | First City Court           | C         |
| E. "Teena" Anderson-Trahan             | Second City Court          |           |
| <b><i>2021 Parochial Officials</i></b> |                            |           |
| Austin Badon                           | Clerk of First City Court  |           |
| Darren Lombard                         | Clerk of Second City Court |           |

**Judicial Expense Fund for Civil District Court of the Parish of Orleans  
Organizational Chart  
As of December 31, 2021**





## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Judicial Expense Fund of the Civil District Court for the Parish of Orleans (the Judicial Expense Fund), as of and for the year ended December 31, 2021, 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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 the management's discussion and analysis, budgeting comparison information on pages 11-17 and 48-49, other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Expense Fund's basic financial statements. The schedule of revenues and expenses – by ledger, schedule of compensation, benefits, and other payments to chief judge, justice system funding schedule – collecting/disbursing entity, and justice system funding schedule – receiving entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenses – by ledger, schedule of compensation, benefits, and other payments to chief judge, justice system funding schedule – collecting/disbursing entity, and justice system funding schedule – receiving entity are 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 section 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 June 29, 2022, on our consideration of the 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 the results of that testing, and not to provide an opinion on the 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.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
June 29, 2022

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

## Management's Discussion and Analysis

### Introduction to the Two Types of Financial Statements

The Management's Discussion and Analysis of Judicial Expense Fund for 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, 2021. 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 which follow this section.

The Judicial Expense Fund has two funds, the General Fund and the 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 Position (Deficit) 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, noncurrent 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* noncurrent 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 (\$55,709 in 2021 and \$127,862 in 2020) 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 *noncurrent 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 noncurrent liabilities (\$19,122,882 in 2021 and \$26,348,950 in 2020), 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.

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. Chart 1 on the next page summarizes these differences.

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Management's Discussion and Analysis

**CHART 1:  
Overview of Difference between Fund and Government-wide Financial Statements**

|                          | 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 |
| Noncurrent 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 expense     | Not recorded  | Recorded in the Statement of Activities  |
| Accumulated depreciation | Not recorded  | Shown on the Statement of Net Position (Deficit)   |

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 government-wide Statement of Net Position (Deficit). All assets and liabilities on the Balance Sheet are current. The government-wide Statement of Net Position (Deficit) shows Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, separated into current and noncurrent, and Net Position (Deficit) (the difference). All of the Judicial Expense Fund's Net Position (Deficit), except for the \$365,703 invested in capital assets is unrestricted; the fund balance is nonspendable and unassigned.

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Management's Discussion and Analysis

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 position (deficit), which is reconciled to net position (deficit) at the end of the year. The three 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 percent 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 Fund 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 auditors' report located immediately preceding this Management Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements as of and for the year ended December 31, 2021. Varying degrees of assurances are being provided by the auditor regarding the other 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.

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Management's Discussion and Analysis

### How 2021 compares with 2020 - Statement of Net Position (Deficit)

Chart 2 provides condensed information from the Statement of Net Position (Deficit) for 2021 and 2020.

**CHART 2: Statement of Net Position (Deficit) Comparative Data**

|   | 2021                   | 2020                  | Variance<br>Increase<br>(Decrease)<br>Amount | Variance<br>Increase<br>(Decrease)<br>Percent (%) |
|---|------------------------|-----------------------|--|---|
| <b>Assets</b>                                     |                        |                       |  |   |
| Capital Assets (net)                              | \$ 365,703             | \$ 483,930            | \$ (118,227)                                 | (24.43)%  |
| Other Assets                                      | 11,488,646             | 11,069,687            | 418,959                                      | 3.78%   |
| <b>Total Assets</b>                               | <b>11,854,349</b>      | <b>11,553,617</b>     | <b>300,732</b>                               | <b>2.60%</b>                                      |
| Deferred Outflows<br>of Resources                 | 2,653,856              | 5,681,590             | (3,027,734)                                  | (53.29)%  |
| <b>Total Assets and<br/>Deferred Outflows</b>     | <b>14,508,205</b>      | <b>17,235,207</b>     | <b>(2,727,002)</b>                           | <b>(15.82)%</b>                                   |
| <b>Liabilities</b>                                |                        |                       |  |   |
| Current Liabilities                               | 1,092,494              | 1,110,829             | (18,335)                                     | (1.65)%   |
| Non-current Liabilities                           | 19,122,882             | 26,348,950            | (7,226,068)                                  | (27.42)%  |
| <b>Total Liabilities</b>                          | <b>20,215,376</b>      | <b>27,459,779</b>     | <b>(7,244,403)</b>                           | <b>(26.38)%</b>                                   |
| Deferred Inflows<br>of Resources                  | 5,593,668              | 2,393,590             | 2,958,061                                    | 133.68%   |
| <b>Total Liabilities and<br/>Deferred Inflows</b> | <b>25,809,044</b>      | <b>29,853,369</b>     | <b>(4,286,342)</b>                           | <b>(13.55)%</b>                                   |
| <b>Net Deficit</b>                                | <b>\$ (11,300,839)</b> | <b>\$(12,618,162)</b> | <b>\$ 1,559,340</b>                          | <b>10.44%</b>                                     |

Capital assets decreased from 2020 to 2021 because the \$55,709 purchase price of capital assets was less than the depreciation expense of \$173,935. Notes 1 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 \$876,282 and accounts receivable decreased by \$520,181.

Current Liabilities decreased due to decreases in Accounts Payable and salaries payable. The adoption of the provisions of GASB 68 and 71 however has had the greatest impact on the statement of Net Position (Deficit). These provisions require that the Judicial Expense Fund report its prorated portion of the Net Pension Liability for employees who are participating in the pension plans. Although this is long term debt and does not affect the current operations of the Judicial Expense Fund, it has resulted in a Net deficit of \$11,300,537.



## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Management's Discussion and Analysis

### How 2021 compares with 2020 Statement of Activities

Chart 3 below gives comparative data from the Statement of Activities for the fiscal years ended December 31, 2021 and 2020.

**CHART 3: Statement of Activities Comparative Data**

|                                | 2021                   | 2020                   | Variance<br>Increase<br>(Decrease)<br>Amount | Variance<br>Increase /<br>Decrease<br>Percent (%) |
|--------------------------------|------------------------|------------------------|--|---|
| Program Revenues               | \$ 7,745,275           | \$ 7,507,773           | \$ 237,502                                   | 3.17%   |
| General Revenues               | 3,233,813              | 3,857,054              | (623,241)                                    | (16.16)%  |
| <b>Total Revenues</b>          | <b>10,979,088</b>      | <b>11,364,827</b>      | <b>(385,739)</b>                             | <b>(3.39)%</b>                                    |
| Expenses:                      |                        |                        |  |   |
| Civil District Court           | 5,166,848              | 7,584,875              | (2,418,027)                                  | (31.88)%  |
| First City Court               | 2,825,991              | 3,504,921              | (678,930)                                    | (19.37)%  |
| Second City Court              | 619,662                | 752,811                | (133,149)                                    | (17.69)%  |
| AOT Program                    | 57,983                 | -                      | 57,983                                       | 100.00%   |
| Domestic Support               | 991,281                | 1,057,697              | (66,416)                                     | (6.28)%   |
| <b>Total Expenses</b>          | <b>9,661,765</b>       | <b>12,900,304</b>      | <b>(3,238,539)</b>                           | <b>(25.10)%</b>                                   |
| Change in net position         | 1,317,323              | (1,535,477)            | 2,852,800                                    | 185.81%   |
| Net Deficit Beginning of year  | (12,618,162)           | (11,082,685)           | (1,535,477)                                  | (13.85)%  |
| <b>Net Deficit End of year</b> | <b>\$ (11,300,839)</b> | <b>\$ (12,618,162)</b> | <b>\$ 1,317,323</b>                          | <b>10.44%</b>                                     |

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Management's Discussion and Analysis

### Budgetary Comparison

Chart 4 below shows the amounts for the original budget, final budget, and actual results for 2021 and 2020:

**CHART 4: 2021 and 2020 Budgetary Comparative Data**

| 2021                   | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> |
|------------------------|------------------------|-----------------------|---------------|
| Revenue                | \$ 11,275,000          | \$ 11,199,943         | \$ 10,701,500 |
| Total Revenues         | 11,275,000             | 11,199,943            | 10,701,500    |
| Operating expenditures | 10,975,000             | 11,416,836            | 10,543,444    |
| Capital expenditures   | 300,000                | 300,000               | 55,709        |
| Total expenditures     | 11,275,000             | 11,716,836            | 10,599,153    |
| Change in Fund Balance | \$ -                   | \$ (517,493)          | \$ 102,347    |

| 2020                   | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> |
|------------------------|------------------------|-----------------------|---------------|
| Revenue                | \$ 12,155,437          | \$ 8,952,829          | \$ 11,165,011 |
| Total Revenues         | 12,155,437             | 8,952,829             | 11,165,011    |
| Operating expenditures | 10,747,623             | 10,858,794            | 10,568,759    |
| Capital expenditures   | 300,000                | 300,000               | 127,862       |
| Total expenditures     | 11,047,623             | 11,158,794            | 10,696,621    |
| Change in Fund Balance | \$ 1,107,814           | \$ (2,205,965)        | \$ 468,390    |

### Significant Events

The COVID-19 Pandemic has been the most significant event to affect the Judicial Expense Fund and indeed the world in 2020 and continuing into 2021. The Judicial Expense Fund continued to experience increased expenditures for safety and the provision of personal protective equipment (ppe) for COVID-19 compliance. Further, the Judicial Expense Fund experienced reduced revenues due to periodic suspension of jury trials at the request of the Louisiana Supreme Court, and a closure due to Hurricane IDA from August 27-September 19, 2021. The Federal moratorium on evictions which continued into 2021 also influenced revenue and expenses.

The implementation of the provisions of GASB 68 and 71 has had a major impact on the Judicial Expense Fund. We have encountered many challenges with these pronouncements and determined our Net Pension Liability and deferred inflows and outflows based upon the actuarial reports provided to us by the three different pension funds. Long-term liabilities include an accrued net pension liability of \$11,032,948 discussed in Note 10, an accrued post-employment benefit liability of \$7,268,742 discussed in Note 9, and a related party liability discussed in Note 8. The payments made to reduce these long term liabilities do not present a problem for the Judicial Expense Fund in the short term or long term.

## **Judicial Expense Fund for the Civil District Court for the Parish of Orleans Management's Discussion and Analysis**

### **Requests for Information**

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

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

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Statement of Net Position (Deficit)**

| <i>December 31, 2021</i>                                   | Governmental<br>Activities |
|--|----------------------------|
| <b>Current assets</b>                                      |                            |
| Cash and cash equivalents                                  | \$ 10,695,055              |
| Accounts receivable, net                                   | 657,760                    |
| Interest receivable  | 2,279                      |
| Prepaid expense  | 76,851                     |
| <b>Total current assets</b>                                | <b>11,431,945</b>          |
| <b>Noncurrent assets</b>                                   |                            |
| Net pension asset  | 56,701                     |
| Capital assets, net of accumulated depreciation            | 365,703                    |
| <b>Total assets</b>  | <b>11,854,349</b>          |
| <b>Deferred outflows of resources</b>                      |                            |
| Deferred outflows related to pensions                      | 2,041,426                  |
| Deferred outflows related to OPEB                          | 612,430                    |
| <b>Total deferred outflows of resources</b>                | <b>2,653,856</b>           |
| <b>Total assets and deferred outflows of resources</b>     | <b>14,508,205</b>          |
| <b>Current liabilities</b>                                 |                            |
| Accounts payable and accrued expenses                      | 596,754                    |
| Salaries and benefits payable                              | 113,932                    |
| Other noncurrent liabilities due within one year           | 64,000                     |
| Total OPEB liability due within one year                   | 317,808                    |
| <b>Total current liabilities</b>                           | <b>1,092,494</b>           |
| <b>Noncurrent liabilities</b>                              |                            |
| Net pension liability                                      | 11,032,948                 |
| Other noncurrent liabilities                               | 821,192                    |
| Total OPEB liability                                       | 7,268,742                  |
| <b>Total noncurrent liabilities</b>                        | <b>19,122,882</b>          |
| <b>Deferred inflows of resources</b>                       |                            |
| Unearned revenue   | 242,017                    |
| Deferred inflows related to pensions                       | 3,723,652                  |
| Deferred inflows related to OPEB                           | 1,627,999                  |
| <b>Total deferred inflows of resources</b>                 | <b>5,593,668</b>           |
| <b>Total liabilities and deferred inflows of resources</b> | <b>25,809,044</b>          |
| Net investment in capital assets                           | 365,703                    |
| Unrestricted   | (11,666,542)               |
| <b>Total net position (deficit)</b>                        | <b>\$ (11,300,839)</b>     |

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

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

*For the year ended December 31, 2021*

|                                      | Expenses            | Charges for<br>Services<br>and Fines | Operating<br>Grants | Net (Expenses)<br>Revenues Change in<br>Net Position |
|--------------------------------------|---------------------|--------------------------------------|---------------------|--|
| <b>Governmental Activities:</b>      |                     |                                      |                     |  |
| Program:                             |                     |                                      |                     |  |
| Civil District Court                 | \$ 5,166,848        | \$ 5,834,544                         | \$ -                | \$ 667,696   |
| First City Court                     | 2,825,991           | 1,468,061                            | -                   | (1,357,930)  |
| Second City Court                    | 619,662             | 220,687                              | -                   | (398,975)  |
| AOT Program                          | 57,983              | -                                    | 57,983              | -  |
| Domestic Support                     | 991,281             | 164,000                              | -                   | (827,281)  |
| <b>Total governmental activities</b> | <b>\$ 9,661,765</b> | <b>\$ 7,687,292</b>                  | <b>\$ 57,983</b>    | <b>(1,916,490)</b>                                   |

|                                 |                        |
|---------------------------------|------------------------|
| General revenues:               |                        |
| Interest income                 | 61,036                 |
| Other income                    | 3,172,777              |
| <b>Total general revenue</b>    | <b>3,233,813</b>       |
| <br>                            |                        |
| Change in net position          | 1,317,323              |
| <br>                            |                        |
| Net position, beginning of year | (12,618,162)           |
| <br>                            |                        |
| Net position, end of year       | <b>\$ (11,300,839)</b> |

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

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Balance Sheet – Governmental Fund**

| <i>December 31, 2021</i>                  | Judicial Expense<br>Fund<br>(General Fund) | Assistive<br>Outpatient<br>Treatment Fund | <b>Total<br/>Governmental<br/>Funds</b> |
|---|--|---|---|
| <b>Assets</b>                             |  |   |   |
| Cash and cash equivalents                 | \$ 10,443,437                              | \$ 251,618                                | \$ 10,695,055                           |
| Accounts receivable                       | 58,393                                     | -   | 58,393                                  |
| Interest receivable                       | 2,279                                      | -   | 2,279                                   |
| Due from Clerk of Civil District Court    |  |   |   |
| Benefit Fund                              | -  | -   | -                                       |
| Salary Fund                               | 599,367                                    | -   | 599,367                                 |
| Prepaid items                             | 76,851                                     | -   | 76,851                                  |
| <b>Total assets</b>                       | <b>11,180,327</b>                          | <b>251,618</b>                            | <b>\$ 11,431,945</b>                    |
| <b>Liabilities and Fund Balance</b>       |  |   |   |
| Liabilities                               |  |   |   |
| Accounts payable and accrued expenses     | 587,153                                    | 9,601                                     | \$ 596,754                              |
| Salaries payable                          | 113,932                                    | -   | 113,932.00                              |
| Unearned revenues                         | -  | 242,017                                   | 242,017                                 |
| <b>Total liabilities</b>                  | <b>701,085</b>                             | <b>251,618</b>                            | <b>952,703</b>                          |
| Fund balance                              |  |   |   |
| Nonspendable                              | 76,851                                     | -   | 76,851                                  |
| Unassigned                                | 10,402,391                                 | -   | 10,402,391                              |
| <b>Total fund balance</b>                 | <b>10,479,242</b>                          | <b>-</b>                                  | <b>10,479,242</b>                       |
| <b>Total liabilities and fund balance</b> | <b>\$ 11,180,327</b>                       | <b>\$ 251,618</b>                         | <b>\$ 11,431,945</b>                    |

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

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**to the Statement of Net Position (Deficit)**

| <i>December 31,</i>   | <i>2021</i>                     |
|---|---------------------------------|
| Total fund balances - governmental fund   | \$ 10,479,242                   |
| 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, therefore, are not reported in the funds.   |                                 |
| Governmental capital assets   | \$ 1,207,638                    |
| Less accumulated depreciation and amortization  | <u>(841,935)</u> 365,703        |
| Other long-term asset that is not available to pay for current period expenditures and, therefore, is not reported in the funds.  |                                 |
| Net pension asset   | 56,701                          |
| 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 net pension liability (asset)  | 2,041,426                       |
| Deferred inflows related to net pension liability (asset)   | <u>(3,723,652)</u> (1,682,226)  |
| 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 total OPEB liability   | 612,430                         |
| Deferred inflows related to total OPEB liability  | <u>(1,627,999)</u> (1,015,569)  |
| 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   | (11,032,948)                    |
| Other noncurrent liabilities  | (885,192)                       |
| Total OPEB liability  | <u>(7,586,550)</u> (19,504,690) |
| Net position (deficit) of governmental activities   | \$ (11,300,839)                 |

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



**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance – Governmental Fund**

| <i>For the year ended December 31, 2021</i> | Judicial<br>Expense Fund<br>(General Fund) | Assistive<br>Outpatient<br>Treatment | Total<br>Governmental<br>Funds |
|---|--|--------------------------------------|--------------------------------|
| <b>Revenues</b>                             |  |                                      |                                |
| Filing fees, net                            | \$ 7,464,946                               | \$ -                                 | \$ 7,464,946                   |
| Interest income                             | 61,036                                     | -                                    | 61,036                         |
| Domestic support                            | 164,000                                    | -                                    | 164,000                        |
| AOT program                                 | -  | 57,983                               | 57,983                         |
| Other income                                | 3,011,518                                  | -                                    | 3,011,518                      |
| <b>Total revenues</b>                       | <b>10,701,500</b>                          | <b>57,983</b>                        | <b>10,759,483</b>              |
| <b>Direct Expenditures</b>                  |  |                                      |                                |
| Salaries                                    | 6,161,348                                  | -                                    | 6,161,348                      |
| Employee benefits                           | 3,052,545                                  | -                                    | 3,052,545                      |
| Court reporters and interpreters            | 14,350                                     | -                                    | 14,350                         |
| Jury meals and transportation               | 49,844                                     | -                                    | 49,844                         |
| <b>Total direct expenditures</b>            | <b>9,278,087</b>                           | <b>-</b>                             | <b>9,278,087</b>               |
| <b>Indirect Expenditures</b>                |  |                                      |                                |
| Books, printing and copying                 | 124,016                                    | -                                    | 124,016                        |
| Building and personnel security             | 139,347                                    | -                                    | 139,347                        |
| Capital expenditures                        | 55,709                                     | -                                    | 55,709                         |
| Communication                               | 200,511                                    | 166                                  | 200,677                        |
| Facilities                                  | 36,316                                     | -                                    | 36,316                         |
| Furniture, equipment, and maintenance       | 195,736                                    | -                                    | 195,736                        |
| Insurance                                   | 181,153                                    | -                                    | 181,153                        |
| Office supplies and expenditures            | 95,242                                     | -                                    | 95,242                         |
| Other expenditures                          | 25,869                                     | 281                                  | 26,150                         |
| Postage and couriers                        | 36,090                                     | -                                    | 36,090                         |
| Professional education and dues             | 47,097                                     | -                                    | 47,097                         |
| Professional services                       | 183,980                                    | 57,536                               | 241,516                        |
| <b>Total indirect expenditures</b>          | <b>1,321,066</b>                           | <b>57,983</b>                        | <b>1,379,049</b>               |
| <b>Total expenditures</b>                   | <b>10,599,153</b>                          | <b>57,983</b>                        | <b>10,657,136</b>              |
| Net change in fund balance                  | 102,347                                    | -                                    | 102,347                        |
| Fund balance, beginning of year             | 10,376,895                                 | -                                    | 10,376,895                     |
| <b>Fund balance, end of year</b>            | <b>\$ 10,479,242</b>                       | <b>\$ -</b>                          | <b>\$ 10,479,242</b>           |

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

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balance of the Governmental Fund to the Statement of Activities**

| <i>For the year ended December 31,</i>   | 2021         |
|--|--------------|
| Net change in fund balances - total governmental fund  | \$ 102,347   |
| <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 as depreciation expense.</p>            |              |
| Depreciation   | (173,935)    |
| Capital expenditures   | 55,709       |
| <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   | (2,869,526)  |
| Change in deferred inflows of resources  | (3,140,071)  |
| Change in net pension liabilities (asset)  | 6,991,647    |
| <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   | (158,208)    |
| Change in deferred inflows of resources  | 182,010      |
| Net change in total OPEB liability   | 269,003      |
| Net change in other non-current liabilities not due or payable in the current period   | 58,347       |
| Change in net position of governmental activities  | \$ 1,317,323 |

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

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

### **Notes to the Financial Statements**

#### **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-R.S. 13:1312 have sole responsibility and oversight for the Judicial Expense Fund. The responsibility and oversight includes control over all 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.

##### ***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.

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.

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

#### ***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.

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 fund.

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 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 nonspendable and unassigned. The nonspendable classification is associated with amounts considered nonspendable such as prepaid assets. The unassigned classification represents amounts not restricted, committed, or assigned.

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.

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

### **Notes to the Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***General Fund (Continued)***

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, 2021, the total paid by the Judicial Expense Fund for all City Court Judges' salaries was \$441,776.

##### ***AOT 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 for a total of \$300,000 in fiscal year 2021.

##### ***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.

##### ***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, 2021, for the Judicial Expense Fund, the proposed original budget was advertised on November 4-6, 2020, available for public inspection and comment, and was legally adopted at an open meeting of the Judges En Banc on December 1, 2020. On November 2-5, 2021 the amended 2021 budget was advertised. It was available for public inspection and comment, a public hearing was held on December 7, 2021, and the amended budget was legally adopted at an open meeting of the Judges En Banc on December 7, 2021.

##### ***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.

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***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.

#### ***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.

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.

#### ***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:

| <b><u>Asset Class</u></b> | <b><u>Estimated Useful Lives in Years</u></b> |
|---------------------------|---|
| 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.

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

### Notes to the Financial Statements

#### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### *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.

##### *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.

##### *Fund Equity*

##### **Government-wide Statements**

Equity is classified as net assets 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 assets - Consists of net assets 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.

Unrestricted net assets - All other net assets 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, 2021 and for the year then ended, the Judicial Expense Fund did not have or receive restricted net assets.

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

### Notes to the Financial Statements

#### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Fund Financial Statements

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

Nonspendable - amounts that cannot be spent either because they are in nonspendable 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, grantors, contributions, or the laws or regulations of other governments. There was no restricted fund balance as of December 31, 2021.

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, 2021.

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, 2021.

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, 2021 totaled \$10,479,242 of which \$10,402,391 was classified as unassigned and \$76,851 was classified as nonspendable as this balance related to prepaid expenses.

##### ***Recently Issued and Implemented Accounting Pronouncements***

The Judicial Expense Fund has implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The implementation of this statement did not result in any changes to JEF's financial statements. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.



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

### Notes to the Financial Statements

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Agreements. This Statement 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. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The Judicial Expense Fund is evaluating the requirements of the above statements and the impact on reporting.

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2022, 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. As of December 31, 2021, the carrying amounts of the Judicial Expense Fund's deposits totaled \$10,695,055 and the bank balances totaled \$10,722,404. Of these amounts, \$4,449,874 was covered by federal depository insurance and the remainder collateralized by a pledge of securities in the joint name of the Judicial Expense Fund and the financial institution and held in safe-keeping by the Federal Reserve Bank of Boston and JP Morgan Chase which is deemed properly collateralized by state statute.

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 deposit policy for custodial credit risk. Nevertheless, none of the Judicial Expense Fund's bank balances were exposed to custodial credit risk, since the pledged securities were in the joint name of the Judicial Expense Fund and the financial institution and were held in safekeeping by the Federal Reserve Bank of Boston.

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.

State law also 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.

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Notes to the Financial Statements**

**Note 4: ACCOUNTS RECEIVABLE**

As of December 31, 2021, accounts receivable is as follows:

|                                     |    |            |
|-------------------------------------|----|------------|
| Clerk's Salary Fund receivable, net | \$ | 599,367    |
| Other                               |    | 58,393     |
| Total                               |    | \$ 657,760 |

**Note 5: CAPITAL ASSETS**

The following is a summary of capital assets for the year ended December 31, 2021:

|                                | January 1,<br>2021 | Additions   | Retirements | December 31,<br>2021 |
|--------------------------------|--------------------|-------------|-------------|----------------------|
| Computer equipment             | \$ 239,058         | \$ 51,792   | \$ -        | \$ 290,848           |
| Computer software              | 155,638            | -           | -           | 155,638              |
| Office equipment               | 227,812            | -           | -           | 227,812              |
| Furniture and fixtures         | 161,766            | 1,619       | -           | 163,385              |
| Leasehold improvements         | 367,657            | 2,298       | -           | 369,955              |
| Total                          | 1,151,929          | 55,709      | -           | 1,207,638            |
| Less: accumulated depreciation | (667,999)          | (173,936)   | -           | (841,935)            |
| Capital assets, net            | \$ 483,930         | \$(118,226) | \$ -        | \$ 365,703           |

Depreciation expense charged to each function for the year ended December 31, 2021 is as follows:

|                      |            |
|----------------------|------------|
| Civil District Court | \$ 134,453 |
| First City Court     | 34,439     |
| Second City Court    | 5,044      |
| Total                | \$ 173,936 |

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

### Notes to the Financial Statements

#### Note 5: CAPITAL ASSETS (Continued)

An analysis of changes in accumulated depreciation and amortization by asset classification for the year ended December 31, 2021 is as follows:

|                        | January 1,<br>2020 | Additions         | Retirements | December 31,<br>2020 |
|------------------------|--------------------|-------------------|-------------|----------------------|
| Computer equipment     | \$ 134,852         | \$ 43,157         | \$ -        | \$ 178,009           |
| Computer software      | 88,945             | 31,128            | -           | 120,073              |
| Office equipment       | 108,988            | 29,528            | -           | 138,516              |
| Furniture and fixtures | 103,321            | 17,758            | -           | 121,079              |
| Leasehold improvements | 231,893            | 52,365            | -           | 284,258              |
| <b>Total</b>           | <b>\$ 667,999</b>  | <b>\$ 173,935</b> | <b>\$ -</b> | <b>\$ 841,935</b>    |

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 \$4,332,462 through December 31, 2021. Building additions and improvements made for the year ended December 31, 2021 amounted to \$3,656 and are included in the accompanying financial statements of the Judicial Expense Fund.

#### 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, 2021 amounted to \$2,279 and is included in the accompanying financial statements.

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

### Notes to the Financial Statements

#### Note 6: REGISTRY OF COURT FUNDS (Continued)

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 2021 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 NONCURRENT LIABILITIES

The following is a summary of changes in noncurrent liabilities for the year ended December 31, 2021.

|                     | Other<br>Noncurrent<br>Liabilities | Total OPEB<br>Liability | Net Pension<br>Liability | Totals        |
|---------------------|------------------------------------|-------------------------|--------------------------|---------------|
| Beginning of year   | \$ 943,540                         | \$ 7,855,553            | \$ 17,967,894            | \$ 26,766,987 |
| Additions           | -                                  | -                       | -                        | -             |
| Retirements         | (58,348)                           | (269,003)               | (6,934,946)              | (7,262,297)   |
| End of year         | \$ 885,192                         | \$ 7,586,550            | \$ 11,032,948            | \$ 19,504,690 |
| Due within one year | \$ 64,000                          | \$ 317,808              | \$ -                     | \$ 381,808    |

#### 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, 2021 was \$885,192 and is included in other long-term liabilities.

#### Note 9: OTHER POST 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*.

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

### Notes to the Financial Statements

#### Note 9: OTHER POST RETIREMENT BENEFITS (Continued)

The OGB does not issue a publicly available financial report of the OPEB Plan; however it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). A copy of the CAFR 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, 2020, the following employees were covered by the benefit terms:

|  |    |
|--|----|
| Inactive employees or beneficiaries currently receiving benefit payments | 48 |
| Inactive employees entitled to but not yet receiving benefit payments    | -  |
| Active employees   | 83 |

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*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.

#### Total OPEB Liability

The Judicial Expense Fund's proportionate share of the total OPEB liability of \$7,586,550 was measured as of July 1, 2020 and was determined by an actuarial valuation as of July 1, 2020. 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 July 1, 2020, the Judicial Expense Fund's proportional share of the total OPEB liability was 0.1435%, which was not significantly different than its proportion as of July 1, 2019.

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### Note 9: OTHER POST RETIREMENT BENEFITS (Continued)

*Actuarial Assumptions and other inputs* – The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |   |
|-----------------------------|---|
| Inflation                   | 2.8%  |
| Salary increases            | Consistent with the pension valuation assumptions   |
| Discount rate               | 2.66% based on the S&P 20-Year municipal bond index as of July 1, 2020  |
| Healthcare cost trend rates | 6.75%-4.5% as of July 1, 2020   |
| Mortality rates             | 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 MP-2018.<br><br>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.<br><br>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. |

The actuarial assumptions used in the July 1, 2020 valuation were based on the assumptions used in the pension plans covering the same participants for the retirement, termination, disability, and salary scale assumptions.

### Changes in the Total OPEB Liability

|  |              |
|--|--------------|
| Balance at December 31, 2020                       | \$ 7,855,553 |
| Changes for the year:                              |              |
| Service cost                                       | 278,981      |
| Interest   | 222,819      |
| Differences between expected and actual Experience | (23,208)     |
| Changes in assumptions                             | (449,184)    |
| Benefit payments                                   | (298,411)    |
| Net changes  | (269,003)    |
| Balance at December 31, 2021                       | \$ 7,586,550 |

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

### Notes to the Financial Statements

#### Note 9: OTHER POST RETIREMENT BENEFITS (Continued)

*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 or 1-percentage-point higher than the current discount rate:

|                      | 1.0% Decrease<br>(1.66%) | Current Discount<br>Rate (2.66%) | 1.0% Increase<br>(3.66%) |
|----------------------|--------------------------|----------------------------------|--------------------------|
| Total OPEB liability | \$ 8,825,588             | \$ 7,586,550                     | \$ 6,594,361             |

*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 (3.5%-5.75%) or 1-percentage-point higher (5.5%-7.75%) than the current healthcare trend rates:

|                      | 1.0% Decrease | Current Trend<br>Rate | 1.0% Increase |
|----------------------|---------------|-----------------------|---------------|
| Total OPEB liability | \$ 6,577,412  | \$ 7,586,550          | \$ 8,871,926  |

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

For the year ended December 31, 2021, the Judicial Expense Fund recognized OPEB expense of \$7,979. At December 31, 2021, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 448,629                        | \$ (203,674)                     |
| Changes in assumptions                             | -                                 | (1,424,325)                      |
| Benefit payments subsequent to measurement date    | 162,801                           | -                                |
| Total  | \$ 612,430                        | \$ (1,627,999)                   |

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

| Years ending December 31: |              |
|---------------------------|--------------|
| 2022                      | \$ (493,819) |
| 2023                      | (403,179)    |
| 2024                      | (202,640)    |
| 2025                      | (78,732)     |

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### 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.

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

| Plan  | Louisiana Revised Statute |
|---|---------------------------|
| 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 [lspfr.com](http://lspfr.com), respectively.



**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Notes to the Financial Statements**

**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, 2021 are as follows:

| Plan  | Period    | Employer<br>Contribution<br>(%) | Employee<br>Contribution<br>(%) |
|---|-----------|---------------------------------|---------------------------------|
| <b>LASERS (Regular Employees)</b>                   |           |                                 |                                 |
| Pre Act 75 (hired before 7/1/2006)                  | 1/1-6/30  | 40.10%                          | 7.50%                           |
| Pre Act 75 (hired before 7/1/2006)                  | 7/1-12/31 | 39.50%                          | 7.50%                           |
| Post Act 75 (hired on or after 7/1/2006)            | 1/1-6/30  | 40.10%                          | 8.00%                           |
| Post Act 75 (hired on or after 7/1/2006)            | 7/1-12/31 | 39.50%                          | 8.00%                           |
| <b>LASERS (Judges)</b>                              |           |                                 |                                 |
| Judges & Judicial Employees (hired before 1/1/2011) | 1/1-6/30  | 42.50%                          | 11.50%                          |
| Judges & Judicial Employees (hired before 1/1/2011) | 7/1-12/31 | 43.70%                          | 11.50%                          |
| Elected Judges (hired on or after 1/1/2011)         | 1/1-6/30  | 43.60%                          | 13.00%                          |
| Elected Judges (hired on or after 1/1/2011)         | 7/1-12/31 | 43.00%                          | 13.00%                          |
| <b>LCCRRF</b>                                       |           |                                 |                                 |
| Clerks of Court Employees                           | 1/1-6/30  | 19.00%                          | 8.25%                           |
| Clerks of Court Employees                           | 7/1-12/31 | 22.25%                          | 8.25%                           |
| <b>LSPRF</b>  |           |                                 |                                 |
| Sheriff's Office Employees                          | 1/1-6/30  | 12.25%                          | 10.25%                          |
| Sheriff's Office Employees                          | 7/1-12/31 | 12.25%                          | 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 2021 amounted to:

| Plan   | Actuarially Determined<br>Employer Contribution Rate |
|--|--|
| LASERS Judges & Judicial Employees (hired before 1/1/2011) | 42.50%   |
| LASERS Elected Judges (hired on or after 1/1/2011)         | 43.60%   |
| LASERS All Others  | 40.10%   |
| LCCRRF   | 21.00%   |
| LSPRF  | 12.25%   |

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

### Notes to the Financial Statements

#### Note 10: PENSION PLANS (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, 2021.

Contributions to the plans for the year ended December 31, 2021 were as follows:

| Plan   | Contributions |
|--------|---------------|
| LASERS | \$ 1,542,674  |
| LCCRRF | 284,616       |
| LSPRF  | 102,912       |
|        | \$ 1,930,202  |

#### *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, 2021 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.

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, 2020 and the change compared to the June 30, 2020 proportion.

|        | Net Pension<br>Liability (Asset) at<br>June 30, 2021 | Proportion<br>at<br>June 30, 2020 | Increase (Decrease)<br>to June 30, 2021<br>Proportion |
|--------|--|-----------------------------------|---|
| LASERS | \$ 9,834,394   | 0.178678%                         | -0.004897%  |
| LCCRRF | 1,198,554  | 0.901007%                         | 0.054767%   |
| LSPRF  | (56,701)   | 0.114421%                         | 0.006191%   |
|        | \$ 10,976,247  |                                   |   |

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Notes to the Financial Statements**

**Note 10: PENSION PLANS (continued)**

The following table reflects the Judicial Expense Fund's recognized pension expense plus the Judicial Expense Fund's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions for each of the pension plans for the year ended December 31, 2021.

|               | Pension<br>Expense (Benefit) | Amortization | Total        |
|---------------|------------------------------|--------------|--------------|
| <b>LASERS</b> | \$ 689,462                   | \$ (12,764)  | \$ 676,698   |
| <b>LCCRRF</b> | 282,759                      | 40,020       | 322,779      |
| <b>LSPRF</b>  | (2,069)                      | 112,001      | 109,932      |
|               | \$ 970,152                   | \$ 139,257   | \$ 1,109,409 |

At December 31, 2021, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| <b>LASERS</b>   |                                      |                                     |
| Differences between expected and actual experience  | \$ 9,712                             | \$ -                                |
| Changes in assumptions  | 240,884                              | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments                                 | -                                    | (2,293,418)                         |
| Changes in proportion and differences between<br>employer contributions and proportionate share of<br>contributions | 40,574                               | (174,201)                           |
| Employer contributions subsequent to the<br>measurement date  | 779,173                              | -                                   |
| <b>Total LASERS</b>   | <b>\$ 1,070,343</b>                  | <b>\$ (2,467,619)</b>               |

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| <b>LCCRRF</b>   |                                      |                                     |
| Differences between expected and actual experience  | \$ 33,413                            | \$ (20,111)                         |
| Changes in assumptions  | 258,751                              | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments                                 | -                                    | (530,136)                           |
| Changes in proportion and differences between<br>employer contributions and proportionate share of<br>contributions | 273,843                              | (18,373)                            |
| Employer contributions subsequent to the<br>measurement date  | 142,914                              | -                                   |
| <b>Total LCCRRF</b>   | <b>\$ 708,921</b>                    | <b>\$ (568,620)</b>                 |

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Notes to the Financial Statements**

**Note 10: PENSION PLANS (continued)**

| <b>LSPRF</b>  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ -                                 | \$ (78,951)                         |
| Changes in assumptions  | 174,484                              | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments                                 | -                                    | (512,035)                           |
| Changes in proportion and differences between<br>employer contributions and proportionate share of<br>contributions | 37,056                               | (96,427)                            |
| Employer contributions subsequent to the<br>measurement date  | 50,622                               | -                                   |
| Total LSPRF   | \$ 262,162                           | \$ (687,413)                        |

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

|               | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows<br>of Resources |
|---------------|--------------------------------------|-------------------------------------|
| <b>LASERS</b> | \$ 1,070,343                         | \$ (2,467,619)                      |
| <b>LCCRRF</b> | 708,921                              | (568,620)                           |
| <b>LSPRF</b>  | 262,162                              | (687,413)                           |
|               | \$ 2,041,425                         | \$ (3,723,652)                      |

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, 2022. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

|               | <b>Subsequent<br/>Contributions</b> |
|---------------|-------------------------------------|
| <b>LASERS</b> | \$ 779,173                          |
| <b>LCCRRF</b> | 142,914                             |
| <b>LSPRF</b>  | 50,622                              |
|               | \$ 972,709                          |

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

| Years ending<br>December 31: | Amount of Amortization |               |              |                |
|------------------------------|------------------------|---------------|--------------|----------------|
|                              | <b>LASERS</b>          | <b>LCCRRF</b> | <b>LSPRF</b> | <b>Total</b>   |
| 2022                         | \$ (281,030)           | \$ 88,811     | \$ (102,101) | \$ (294,320)   |
| 2023                         | (353,402)              | 47,251        | (94,696)     | (400,847)      |
| 2024                         | (521,044)              | 11,139        | (106,968)    | (616,871)      |
| 2025                         | (1,020,973)            | (149,814)     | (172,110)    | (1,342,397)    |
|                              | \$ (2,176,449)         | \$ (2,613)    | \$ (475,873) | \$ (2,654,935) |

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### 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, 2021 are as follows:

|   | LASERS   | LCCRRF   | LSPRF  |
|---|--|--|--|
| <b>Valuation Date</b>                   | June 30, 2021  | June 30, 2021  | June 30, 2021  |
| <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>        | 7.40% per annum  | 6.55%, net of investment expense   | 6.90% 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%   | 5.0% - 6.2%  | 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. |

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans  
Notes to the Financial Statements**

**Note 10: PENSION PLANS (continued)**

|  | <b>LASERS</b>   | <b>LCCRRF</b>   | <b>LSPRF</b>  |
|--|---|---|---|
| <b>Mortality</b>                               | <p>Non-disabled members - Mortality rates based on the RP-2014 Combined Healthy Mortality Table with mortality improvement projected to 2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p> | <p>Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale</p> | <p>Non-disabled members - Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.</p> <p>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.</p> |
| <b>Termination, Disability, and Retirement</b> | <p>Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.</p>  | <p>Termination, disability, and retirement assumptions were projected based on a five-year (2015-2019) experience study of the System's members.</p>          | <p>Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.</p>  |

## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### Note 10: PENSION PLANS (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  |
|---|---|--|
| 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 7.61% for 2021. | 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. | The long-term expected real 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 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. |

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, 2021:

| Asset Class                        | Target Allocation |        |        | Long-Term Expected Portfolio Real Rate of Return |        |       |
|------------------------------------|-------------------|--------|--------|--|--------|-------|
|                                    | LASERS            | LCCRRF | LSPRF  | LASERS   | LCCRRF | LSPRF |
| Cash                               | -                 | -      | -      | -0.29%   | -      | -     |
| Domestic equity                    | 23.0%             | 38.0%  | 62.0%  | 4.09%  | 7.50%  | 4.39% |
| International equity               | 32.0%             | 22.0%  | -      | 5.12%  | 8.50%  | -     |
| Domestic fixed income              | 6.0%              | 25.0%  | 25.0%  | 0.49%  | 2.50%  | 0.36% |
| International fixed income         | 10%               | -      | -      | 3.94%  | 3.50%  | -     |
| Alternative investments            | 29%               | -      | 13.0%  | 6.63%  | -      | 0.57% |
| Global asset allocation            | -                 | -      | -      | -  | -      | -     |
| Real estate                        | -                 | 15.0%  | -      | -  | 4.50%  | -     |
| Total                              | 100.0%            | 100.0% | 100.0% | 5.81%  |        | 5.32% |
| Inflation                          |                   |        |        |  |        | 2.55% |
| Expected Arithmetic Nominal Return |                   |        |        |  |        | 7.87% |

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

### Notes to the Financial Statements

#### Note 10: PENSION PLANS (continued)

##### Discount Rate

The discount rates used to measure the total pension liabilities for LASERS, LCCRRF, and LSPRF were 7.40%, 6.55%, and 6.90% respectively, for the year ended December 31, 2021. The discount rates decreased 0.15%, 0.20%, and 0.10% respectively, from the discount rates used for the year ended December 31, 2020.

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.

##### 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:

|               | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|---------------|---------------|-----------------------|---------------|
| <b>LASERS</b> |               |                       |               |
| Discount rate | 6.40%         | 7.40%                 | 8.40%         |
| Share of NPL  | \$ 13,324,861 | \$ 9,834,394          | \$ 6,864,446  |
| <b>LCCRRF</b> |               |                       |               |
| Discount rate | 5.55%         | 6.55%                 | 7.55%         |
| Share of NPL  | \$ 2,112,710  | \$ 1,198,554          | \$ 428,528    |
| <b>LSPRF</b>  |               |                       |               |
| Discount rate | 5.90%         | 6.90%                 | 7.90%         |
| Share of NPL  | \$ 622,573    | \$ (56,701)           | \$ (622,999)  |

##### 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, 2021, the Judicial Expense Fund recognized revenue as a result of support received from non-employer contributing entities of \$108,403 and \$52,853, respectively, 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, 2021.



## Judicial Expense Fund for the Civil District Court for the Parish of Orleans Notes to the Financial Statements

### Note 10: PENSION PLANS (continued)

#### *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.lila.la.gov](http://www.lila.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: OPERATING LEASES

The Judicial Expense Fund is committed under a lease for office equipment which expires in 2024. The lease is considered for accounting purposes to be an operating lease. Lease expense for the year ended December 31, 2021 was \$51,830.

Future minimum lease payments for this lease is as follows:

| Year Ending December 31, | Amount    |
|--------------------------|-----------|
| 2022                     | \$ 54,965 |
| 2023                     | 53,265    |
| 2024                     | 11,398    |

### Note 13: 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, 2021, no insurance settlements exceeded the amount of insurance coverage.

### Note 14: 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 affected.

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Notes to the Financial Statements**

**Note 15: OTHER INCOME**

For the year ended December 31, 2020, other income in the governmental fund consisted of the following:

|                          |                     |
|--------------------------|---------------------|
| Land records revenue     | \$ 2,269,031        |
| Remote access fees       | 376,427             |
| Jury bond rebate revenue | 356,147             |
| Other revenue            | 9,913               |
| Total                    | <u>\$ 3,011,518</u> |

**Note 16: NET DEFICIT**

For the year ended December 31, 2021, the Judicial Expense Fund had a decrease in the net deficit of \$1,317,323. The impact of the implementation of GASB Nos. 68, 71, and 75 has resulted in a total net deficit of \$11,300,839.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Judicial Expense Fund for the Civil District Court for the Parish of Orleans**  
**Schedule of Revenues and Expenditures**  
**Budgeted and Actual**

| <i>For the year ended December 31, 2021</i> | Final Budget<br>Amount | Actual Amounts    | Variance<br>Favorable<br>(Unfavorable) |
|---|------------------------|-------------------|--|
| <b>Revenues</b>                             |                        |                   |  |
| Filing fees, net                            | \$ 7,831,843           | \$ 7,464,946      | \$ (366,897)                           |
| Interest income                             | 68,000                 | 61,036            | (6,964)                                |
| Domestic support                            | 130,000                | 164,000           | 34,000                                 |
| Grants                                      | -                      | -                 | -                                      |
| Other income                                | 3,169,500              | 3,011,518         | (157,982)                              |
| <b>Total revenues</b>                       | <b>11,199,343</b>      | <b>10,701,500</b> | <b>(497,843)</b>                       |
| <b>Direct Expenditures</b>                  |                        |                   |  |
| Salaries                                    | 6,366,202              | 6,161,348         | 204,854                                |
| Employee benefits                           | 3,364,458              | 3,052,545         | 311,913                                |
| Court reporters and interpreters            | 12,648                 | 14,350            | (1,702)                                |
| Jury meals and transportation               | 52,045                 | 49,844            | 2,201                                  |
| <b>Total direct expenditures</b>            | <b>9,795,353</b>       | <b>9,278,087</b>  | <b>517,266</b>                         |
| <b>Indirect Expenditures</b>                |                        |                   |  |
| Books, printing and copying                 | 176,138                | 124,016           | 52,122                                 |
| Building and personnel security             | 138,535                | 139,347           | (812)                                  |
| Capital expenditures                        | 300,000                | 55,709            | 244,291                                |
| Communication                               | 192,750                | 200,511           | (7,761)                                |
| Facilities                                  | 40,000                 | 36,316            | 3,684                                  |
| Furniture, equipment, and maintenance       | 209,625                | 195,736           | 13,889                                 |
| Insurance                                   | 151,500                | 181,153           | (29,653)                               |
| Office supplies and expenditures            | 128,292                | 95,242            | 33,050                                 |
| Other expenditures                          | 32,843                 | 25,869            | 6,974                                  |
| Postage and couriers                        | 37,900                 | 36,090            | 1,810                                  |
| Professional education and dues             | 82,200                 | 47,097            | 35,103                                 |
| Professional services                       | 431,700                | 183,980           | 247,720                                |
| <b>Toal indirect expenditures</b>           | <b>1,921,483</b>       | <b>1,321,066</b>  | <b>600,417</b>                         |
| <b>Total expenditures</b>                   | <b>11,716,836</b>      | <b>10,599,153</b> | <b>1,117,683</b>                       |
| <b>Excess of Revenues Over Expenditures</b> | <b>\$ (517,493)</b>    | <b>\$ 102,347</b> | <b>\$ (1,615,526)</b>                  |

## Judicial Expense Fund for Civil District Court of the Parish of Orleans Notes to Required Supplementary Information – Budgetary Reporting

### Note 1: BUDGETARY INFORMATION

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, 2021, for the Judicial Expense Fund, the proposed original budget was advertised on November 4-6, 2020, available for public inspection and comment, and was legally adopted at an open meeting of the Judges En Banc on December 1, 2020. On November 2-5, 2021 the amended 2021 budget was advertised. It was available for public inspection and comment, a public hearing was held on December 7, 2021, and the amended budget was legally adopted at an open meeting of the Judges En Banc on December 7, 2021.

**Judicial Expense Fund for Civil District Court of the Parish of Orleans**  
**Schedule of Employer's Proportionate Share of Net Pension Liabilities (Assets)**  
**Last Seven Fiscal Years**

| For the<br>Year Ended<br>June 30,                           | Agency's<br>proportion of<br>the net pension<br>liability (asset) | Agency's<br>proportionate share<br>of the net pension<br>liability (asset) | Agency's<br>covered<br>payroll | Agency's<br>Proportionate share<br>of the net pension<br>liability (asset) as a<br>percentage of its<br>covered<br>payroll | Plan fiduciary<br>net position<br>as a percentage<br>of the total<br>pension liability |
|---|---|--|--------------------------------|--|--|
| <b>Louisiana State Employees' Retirement System</b>         |   |  |                                |  |  |
| 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>          |   |  |                                |  |  |
| 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> |   |  |                                |  |  |
| 2021  | 0.901007%   | \$ 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.

**Judicial Expense Fund for Civil District Court of the Parish of Orleans**  
**Schedule of Employer Contributions**  
**Last Seven Fiscal Years**

| For the<br>Year Ended<br>December 31,                       | (a)<br>Statutorily<br>Required<br>Contribution | (b)<br>Contributions<br>in relation to the<br>statutorily<br>required contribution | (a-b)<br>Contribution<br>Deficiency (Excess) | Agency's<br>covered<br>payroll | Contributions<br>as a percentage of<br>covered<br>payroll |
|---|--|--|--|--------------------------------|---|
| <b>Louisiana State Employees' Retirement System</b>         |  |  |  |                                |   |
| 2021  | \$ 1,542,674                                   | \$ 1,542,674   | \$ -   | \$ 3,838,232                   | 40.2%   |
| 2020  | \$ 1,627,321                                   | \$ 1,627,321   | \$ -   | \$ 4,008,132                   | 40.6%   |
| 2019  | \$ 1,398,245                                   | \$ 1,398,245   | \$ -   | \$ 3,788,102                   | 36.9%   |
| 2018  | \$ 1,300,405                                   | \$ 1,300,405   | \$ -   | \$ 3,507,755                   | 37.1%   |
| 2017  | \$ 1,134,441                                   | \$ 1,134,441   | \$ -   | \$ 3,228,346                   | 35.1%   |
| 2016  | \$ 1,185,999                                   | \$ 1,185,999   | \$ -   | \$ 3,193,674                   | 37.1%   |
| 2015  | \$ 1,171,627                                   | \$ 1,171,627   | \$ -   | \$ 3,180,512                   | 36.8%   |
| <b>Louisiana Sheriffs' Pension and Relief Fund</b>          |  |  |  |                                |   |
| 2021  | \$ 102,912                                     | \$ 102,912   | \$ -   | \$ 811,089                     | 12.7%   |
| 2020  | \$ 99,940                                      | \$ 99,940  | \$ -   | \$ 813,800                     | 12.3%   |
| 2019  | \$ 92,157                                      | \$ 92,157  | \$ -   | \$ 772,543                     | 11.9%   |
| 2018  | \$ 98,208                                      | \$ 98,208  | \$ -   | \$ 751,920                     | 13.1%   |
| 2017  | \$ 103,517                                     | \$ 103,517   | \$ -   | \$ 755,072                     | 13.7%   |
| 2016  | \$ 109,494                                     | \$ 109,494   | \$ -   | \$ 796,312                     | 13.8%   |
| 2015  | \$ 96,487                                      | \$ 96,487  | \$ -   | \$ 755,335                     | 12.8%   |
| <b>Louisiana Clerks of Court Retirement and Relief Fund</b> |  |  |  |                                |   |
| 2021  | \$ 284,616                                     | \$ 284,616   | \$ -   | \$ 1,315,923                   | 21.6%   |
| 2020  | \$ 283,910                                     | \$ 283,910   | \$ -   | \$ 1,416,676                   | 20.0%   |
| 2019  | \$ 252,869                                     | \$ 252,869   | \$ -   | \$ 1,315,065                   | 19.2%   |
| 2018  | \$ 246,832                                     | \$ 246,832   | \$ -   | \$ 1,361,160                   | 18.1%   |
| 2017  | \$ 261,089                                     | \$ 261,089   | \$ -   | \$ 1,397,173                   | 18.7%   |
| 2016  | \$ 258,323                                     | \$ 258,323   | \$ -   | \$ 1,366,760                   | 18.9%   |
| 2015  | \$ 281,821                                     | \$ 281,821   | \$ -   | \$ 1,366,562                   | 20.6%   |

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

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

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

### Notes to Required Supplementary Pension Information

#### 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 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 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%.

*LSPRF* - 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%.



**Judicial Expense Fund for Civil District Court of the Parish of Orleans**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Four Fiscal Years**

| <i>For the year ended December 31,</i>                           | 2021                | 2020                | 2019                | 2018                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL OPEB LIABILITY</b>                                      |                     |                     |                     |                     |
| Service cost   | \$ 278,981          | \$ 1,011,692        | \$ 499,722          | \$ 549,356          |
| Interest   | 222,819             | 454,275             | 244,614             | 216,683             |
| Change of benefit term   |                     |                     | -                   | -                   |
| Differences between expected and actual experience               | (23,208)            | 770,791             | (494,139)           | -                   |
| Change of assumptions  | (449,184)           | (1,396,151)         | (276,969)           | (568,325)           |
| Benefit payments, including refunds of member contributions      | (298,411)           | (331,651)           | (178,860)           | (182,456)           |
| <b>Net Change in Total OPEB Liability</b>                        | <b>(269,003)</b>    | <b>508,956</b>      | <b>(205,632)</b>    | <b>15,258</b>       |
| <b>Total OPEB Liability - Beginning</b>                          | <b>7,855,553</b>    | <b>7,346,597</b>    | <b>7,552,229</b>    | <b>7,536,971</b>    |
| <b>Total OPEB Liability - Ending (a)</b>                         | <b>\$ 7,586,550</b> | <b>\$ 7,855,553</b> | <b>\$ 7,346,597</b> | <b>\$ 7,552,229</b> |
| <br>   |                     |                     |                     |                     |
| Covered-employee payroll   | \$ 4,354,255        | \$ 4,677,214        | \$ 4,189,701        | \$ 4,182,519        |
| Total OPEB liability as a percentage of covered-employee payroll | 174.23%             | 167.95%             | 175.35%             | 180.57%             |

**Notes to Schedule:**

*Benefit Changes.* There were no changes of benefit terms for the four years ended December 31, 2020.

*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 and 2.66% as of June 1, 2020. 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.

**OTHER SUPPLEMENTARY INFORMATION**

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

### Schedule of Revenues and Expenses - By Ledger

For the year ended December 31, 2021

|   | Clerk of Civil   |                  | Second City    | Domestic       | AOT           | Totals            |
|---|------------------|------------------|----------------|----------------|---------------|-------------------|
|   | District Court   | First City Court | Court          | Support        | Program       |                   |
| <b>Revenues</b>                         |                  |                  |                |                |               |                   |
| Filing fees, net                        | \$ 5,834,544     | \$ 1,468,061     | \$ 220,687     | \$ -           | \$ -          | \$ 7,523,292      |
| Interest income                         | 47,887           | 11,447           | 1,702          | -              | -             | 61,036            |
| Appropriation income                    | -                | -                | -              | -              | 57,983        | 57,983            |
| Other income                            | 2,554,347        | 538,369          | 80,061         | 164,000        | -             | 3,336,777         |
| <b>Total revenues</b>                   | <b>8,436,778</b> | <b>2,017,877</b> | <b>302,450</b> | <b>164,000</b> | <b>57,983</b> | <b>10,979,088</b> |
| <b>Direct Expense</b>                   |                  |                  |                |                |               |                   |
| Salaries                                | 3,179,413        | 1,891,170        | 401,607        | 689,157        | -             | 6,161,347         |
| Employee benefits                       | 865,443          | 627,134          | 168,427        | 277,944        | -             | 1,938,948         |
| Court reporters and interpreters        | 12,408           | 1,026            | 766            | 150            | -             | 14,350            |
| Jury meals and transportation           | 49,844           | -                | -              | -              | -             | 49,844            |
| <b>Total direct expenses</b>            | <b>4,107,108</b> | <b>2,519,330</b> | <b>570,800</b> | <b>967,251</b> | <b>-</b>      | <b>8,164,489</b>  |
| <b>Indirect Expenses</b>                |                  |                  |                |                |               |                   |
| Books, printing and copying             | 73,497           | 37,839           | 5,631          | 7,049          | -             | 124,016           |
| Building and personnel security         | 108,133          | 27,173           | 4,041          | -              | -             | 139,347           |
| Communication                           | 172,943          | 21,301           | 6,267          | -              | 166           | 200,677           |
| Depreciation                            | 134,974          | 33,918           | 5,044          | -              | -             | 173,936           |
| Facilities                              | 9,024            | 24,497           | 2,795          | -              | -             | 36,316            |
| Furniture, equipment and maintenance    | 153,339          | 34,915           | 7,482          | -              | -             | 195,736           |
| Insurance                               | 126,954          | 34,990           | 2,815          | 16,394         | -             | 181,153           |
| Office supplies and expenses            | 70,901           | 18,612           | 5,142          | 587            | -             | 95,242            |
| Postage and couriers                    | 29,230           | 5,017            | 1,843          | -              | -             | 36,090            |
| Professional education and dues         | 35,076           | 9,582            | 2,439          | -              | -             | 47,097            |
| Professional services                   | 135,539          | 43,400           | 5,042          | -              | 57,536        | 241,517           |
| Other expenses                          | 10,130           | 15,417           | 321            | -              | 281           | 26,149            |
| <b>Total indirect expenses</b>          | <b>1,059,740</b> | <b>306,661</b>   | <b>48,862</b>  | <b>24,030</b>  | <b>57,983</b> | <b>1,497,276</b>  |
| <b>Total expenses</b>                   | <b>5,166,848</b> | <b>2,825,991</b> | <b>619,662</b> | <b>991,281</b> | <b>57,983</b> | <b>9,661,765</b>  |
| <b>Excess of Revenues Over Expenses</b> |                  |                  |                |                |               |                   |
| (Expenses over Revenues)                | \$ 3,269,930     | \$ (808,114)     | \$ (317,212)   | \$ (827,281)   | \$ -          | \$ 1,317,323      |

## Judicial Expense Fund for Civil District Court of the Parish of Orleans Required Schedule of Compensation, Benefits, and Other Payments to Chief Judge

Chief Judge Name: Bernadette D'Souza

*For the year ended December 31, 2021*

| <b>Purpose</b>                         |                 |
|--|-----------------|
| Salary                                 | \$ -            |
| Benefits - insurance                   | -               |
| Benefits - retirement                  | -               |
| Benefits - other                       | -               |
| Car allowance                          | -               |
| Vehicle provided by government         | -               |
| Per diem                               | -               |
| Reimbursements                         | -               |
| Travel                                 | 644             |
| Registration fees                      | 1,310           |
| Conference travel                      | 2,096           |
| Continuing professional education fees | -               |
| Housing                                | -               |
| Unvouchered expenses                   | -               |
| Special meals                          | -               |
| <hr/>                                  |                 |
| <b>Total</b>                           | <b>\$ 4,050</b> |

\* 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.

**Judicial Expense Fund for Civil District Court of the Parish of Orleans  
Justice System Funding Schedule - Collecting/Disbursing Entity**

| <i>For the year ended December 31, 2021</i>  | First Six Month<br>Period Ended<br>June 30, 2021 | Second Six Month<br>Period Ended<br>December 31,<br>2021 |
|--|--|--|
| <b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>                                | \$ -   | \$ -   |
| <b>Add: Collections</b>  |  |  |
| Civil Fees ( <i>including refundable amounts such as garnishments or advance deposits</i> )      | 4,313,581  | 3,454,902  |
| Bond Fees  | 206,702  | 149,445  |
| Probation/Parole/Supervision Fees  | 94,605   | 69,395   |
| Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)             | -  | -  |
| Interest Earnings on Collected Balances  | 13,702   | 47,334   |
| Other ( <i>do not include collections that fit into more specific categories above</i> )         | 3,455  | 7,462  |
| <b>Subtotal Collections</b>  | <b>4,632,045</b>                                 | <b>3,728,538</b>   |
| <b>Less: Disbursements To Governments and Nonprofits:</b>  |  |  |
| <i>Louisiana State Treasurer, Civil Fees</i>   | 87,613   | 103,562  |
| <i>Louisiana State Supreme Court, Civil Fees</i>   | 1,682  | 1,953  |
| <i>Pro Bono Project, Civil Fees</i>  | 15,818   | 40,448   |
| <i>Civil District Court for the Parish of Orleans Judicial Building Commission</i>               | 55,679   | 60,672   |
| <i>Southeast LA Legal Aid, Civil Fees</i>  | 23,727   | 39,696   |
| <b>Less: Amounts Retained by Collecting Agency</b>   | <b>4,447,526</b>                                 | <b>3,482,207</b>   |
| <b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>            |  |  |
| Other Disbursements to Individuals   | -  | -  |
| <b>Subtotal Disbursements/Retainage</b>  | <b>4,632,045</b>                                 | <b>3,728,538</b>   |
| <b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b> | <b>\$ -</b>                                      | <b>\$ -</b>  |

**Judicial Expense Fund for Civil District Court of the Parish of Orleans  
Justice System Funding Schedule - Receiving Entity**

| <i>For the year ended December 31, 2021</i>                           | First Six Month<br>Period Ended June<br>30, 2021 | Second Six Month<br>Period Ended<br>December 31, 2021 |
|---|--|---|
| Receipts from   |  |   |
| Clerk of Orleans Parish Civil District Court, Civil Fees              | \$ 158,267                                       | \$ 218,160  |
| Clerk of Orleans Parish Civil District Court, Service/Collection Fees | 1,247,003  | 1,021,024   |
| <b>Subtotal Receipts</b>  | <b>\$ 1,405,270</b>                              | <b>\$ 1,239,184</b>                                   |

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Judges En Banc,  
Civil District Court Parish of Orleans,  
Judicial Expense Fund,  
New Orleans, 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 major fund of the Civil District Court Parish of Orleans Judicial Expense Fund (the Judicial Expense Fund) as of and for the year ended December 31, 2021, 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 Date XX, 2022.

**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 opinions 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 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 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 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 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.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
June 29, 2022

**Judicial Expense Fund for Civil District Court of the Parish of Orleans  
Schedule of Current Year Findings**

**SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

*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, 2021 and therefore is exempt from the audit requirement under the Uniform Guidance.

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2021.

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended December 31, 2021.

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

Not applicable.

**Judicial Expense Fund for Civil District Court of the Parish of Orleans  
Schedule of Prior Audit Findings**

**A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended December 31, 2020.

**B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

There were no findings related to compliance and other matters for the year ended December 31, 2020.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

Not applicable.



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Judges En Banc  
Orleans Parish Civil District Court - JEF  
New Orleans, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Judicial Expense Fund (JEF) of the Civil District Court for the Parish of Orleans management is responsible for those C/C areas identified in the SAUPs.

The Judicial Expense Fund of the Civil District Court for the Parish of Orleans (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 LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

---

1. 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:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
**Results: No exceptions were found as a result of applying the above procedure.**
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) **Disbursements**, including processing, reviewing, and approving

**Results: No exceptions were found as a result of applying the above procedure.**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue.

**Results: No exceptions were found as a result of applying the above procedure.**

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

**Results: No exceptions were found as a result of applying the above procedure.**

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

**Results: No exceptions were found as a result of applying the above procedure.**

- g) **Credit Cards (and debit cards, fuel cards, P-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)

**Results: No exceptions were found as a result of applying the above procedure.**

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

**Results: No exceptions were found as a result of applying the above procedure.**

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Judicial Expense Fund's ethics policy.

**Results: No exceptions were found as a result of applying the above procedure.**

- j) **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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Judges En Banc***

---

- 2. Obtain and inspect the Judges En Banc minutes for the fiscal period, as well as the enabling legislation in effect during the fiscal period, and:

- a) Observe that the Judges En Banc met with a quorum at least monthly, or on a frequency in accordance with the enabling legislation.

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Observe whether the minutes referenced or included monthly budget-to-actual comparisons on the Judicial Expense Fund.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) Obtain the prior year audit report and observe the unassigned fund balance in Judicial Expense Fund. If the Judicial Expense Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the Judicial Expense Fund.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Bank Reconciliations***

---

- 3. Obtain a listing of Judicial Expense Fund bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the 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:

**Results: No exceptions were found as a result of applying the below procedures.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

#### ***Collections (excluding electronic funds transfers)***

---

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

**Results: No exceptions were found as a result of applying the above procedure.**

- 5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

**Results: No exceptions were found as a result of applying the below procedure.**

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- c) Each employee responsible for collecting cash is not 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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period

**Results: No exceptions were found as a result of applying the above procedure.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- d) 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 in a locked safe or drawer).

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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

**Results: No exceptions were found as a result of applying the above procedure.**

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:



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

**Results: No exceptions were found as a result of applying the above procedure.**

- b) At least two employees are involved in processing and approving payments to vendors.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- d) 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- 10. For each location selected under #8 above, 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:

**Results: No exceptions were found as a result of applying the below procedures.**

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Judicial Expense Fund.

**Results: No exceptions were found as a result of applying the above procedure.**

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results: No exceptions were found as a result of applying the above procedure.**

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

**Results: No exceptions were found as a result of applying the above procedure.**

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined

statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results: No exceptions were found as a result of applying the above procedure.**

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. 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, 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:

**Results: No exceptions were found as a result of applying the below procedures.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- c) 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 policy (procedure #1h).

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Contracts***

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- 15. 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. 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:

- a) 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.

**Results: Not applicable.**

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law.

**Results: Not applicable.**

- c) If the contract was amended (e.g., change order), observe 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, was approval documented).

**Results: Not applicable.**

- d) 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 the invoice and related payment agreed to the terms and conditions of the contract.

**Results: Not applicable.**

### ***Payroll and Personnel***

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- 16. 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.

**Results: No exceptions were found as a result of applying the below procedures.**

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:

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

**Results: No exception were found as a result of applying the above procedure.**

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results: No exceptions were found as a result of applying the above procedure.**

18. 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 employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Judicial Expense Fund policy.

**Results: No exceptions were found as a result of applying the above procedure.**

19. 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.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel", obtain ethics documentation from management, and:

a) Observe whether documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Fraud Notice***

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- 21. 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- 22. Observe 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.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Information Technology Disaster Recovery/Business Continuity***

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- 23. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the Judicial Expense Fund's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

**Results: No exceptions were found as a result of applying the above procedure.**

- b) 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- c) 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.

**Results: No exceptions were found as a result of applying the above procedure.**

### ***Sexual Harassment***

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24. Using the 5 randomly selected employees/officials from procedure #15 under “Payroll and Personnel” testing, 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.

**Results: No exceptions were found as a result of applying the above procedure.**

26. Observe 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).

**Results: No exceptions were found as a result of applying the above procedure.**

25. 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 it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

**Results: No exceptions were found as a result of applying the above procedure.**

b) Number of sexual harassment complaints received by the agency;

**Results: No exceptions were found as a result of applying the above procedure.**

c) Number of complaints which resulted in a finding that sexual harassment occurred;

**Results: No exceptions were found as a result of applying the above procedure.**

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

**Results: No exceptions were found as a result of applying the above procedure.**

e) Amount of time it took to resolve each complaint.

**Results: No exceptions were found as a result of applying the above procedure.**

We were engaged by the Judicial Expense Fund of the Civil District Court for the Parish of Orleans (the “Judicial Expense Fund”) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which

would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Judicial Expense Fund of the Civil District Court for the Parish of Orleans (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.

*Carr, Riggs & Ingram, L.L.C.*

June 29, 2022  
Metairie, LA