

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

FINANCIAL STATEMENTS

December 31, 2020





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Judicial Expense Fund

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June 14, 2021

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, 2020. The report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), and is submitted in accordance with Louisiana Revised Statutes, Title 24, section 514.

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

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

Independent Audit

These financial statements have been audited by the firm of 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, 2020 is 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, 2020 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 1 explains the significant accounting policies.

The Judicial Expense Fund has only one fund, a General 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, 2020, the Judicial Expense Fund did not have any debt, and all of the Fund Balance is unreserved 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 3, 2019, adopted a budget for the fiscal year ending December 31, 2020. This Budget was amended by the *Judges En Banc* at a public meeting on December 1, 2020. 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 2019 and in 2020. 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 2020.

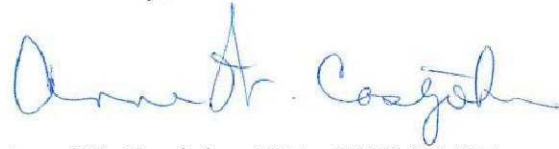
Postemployment Benefits

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,

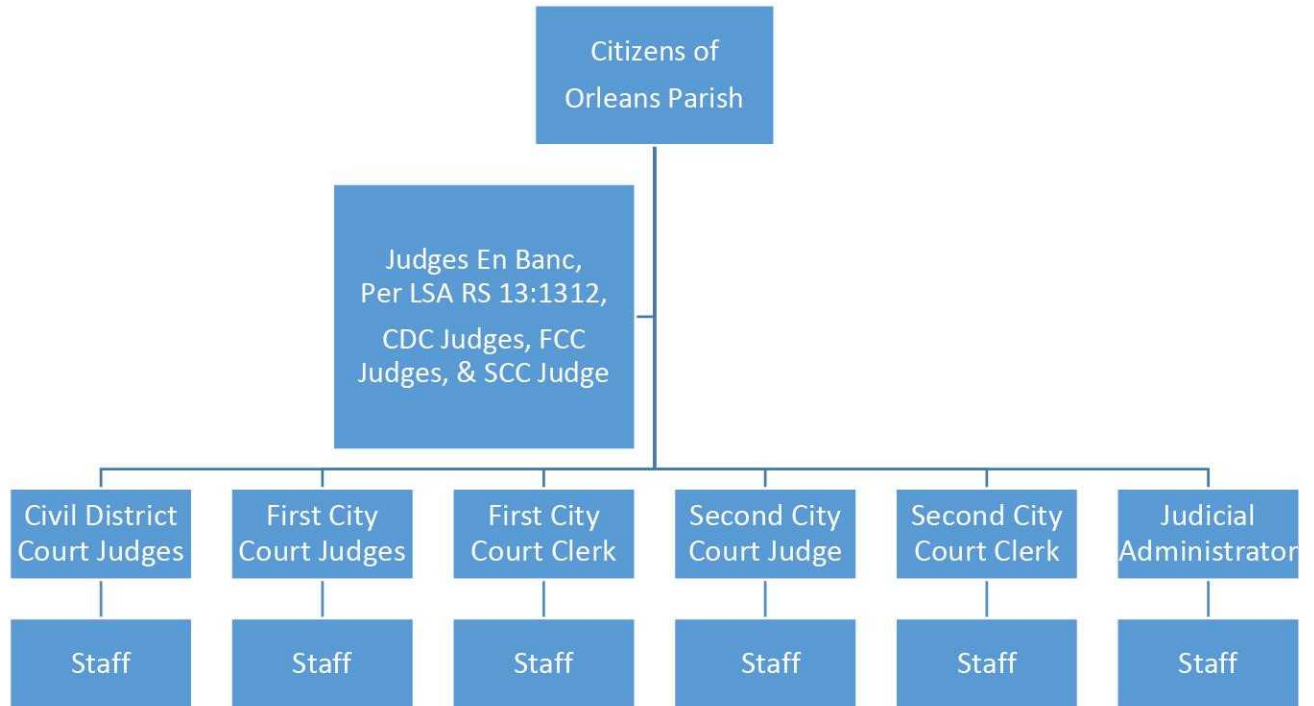
A handwritten signature in blue ink, reading "Anne W. Castjohn". The signature is fluid and cursive, with the first name "Anne" and last name "Castjohn" clearly legible.

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, 2020

Judge's Name	Court	Division
<i>2020 Judges en Banc</i>		
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
Christopher Bruno	Civil District Court	F
Robin M. Giarrusso	Civil District Court	G
Monique Barial	Civil District Court	H
Piper D. Griffin	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	
<i>2020 Parochial Officials</i>		
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, 2020



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners,
Civil District Court Parish of Orleans,
Judicial Expense Fund,
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Judicial Expense Fund for the Civil District Court for the Parish of Orleans (the Judicial Expense Fund), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 for the Civil District Court for the Parish of Orleans as of December 31, 2020, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10-16, budgetary comparison information on pages 49-50 and other required supplementary information on pages 51-54, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Expense Fund's basic financial statements. The introductory section, schedule of revenues and expenses - by ledger, the schedule of compensation, benefits, and other payments to chief judge, and the justice system funding schedule – collecting/disbursing entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 14, 2021, 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.

Cam, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 14, 2021

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, 2020. 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 only one fund, the General Fund, and engages in only one type of activity, a governmental activity of a special-purpose government. The fund financial statements (Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance), show the results of operations and financial position using the *current financial resources* measurement focus and the *modified accrual* basis of accounting, emphasizing the change in fund balance as a result of the current year's operations, as well as the amount of resources available to spend. The government-wide financial statements (Statement of Net Assets and Statement of Activities,) show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual* basis of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private-sector for-profit enterprises.

The difference in *measurement focus* affects the types of transactions and events that are reported in the operating statement. Specifically, since *fund* statements are concerned with only *current* financial resources, 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 (\$127,209 in 2020 and \$258,969 in 2019) 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 Assets (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 (\$26,766,987 in 2020 and \$24,158,629 in 2019), but the government-wide Statement of Net Assets 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 \$483,930 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 assets, which is reconciled to net assets 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 at the fund level, and Statement of Net Position (Deficit) and Statement of Activities at the government-wide level.

Our auditor has provided assurance in their independent auditor's report located immediately preceding this Management Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements as of and for the year ended December 31, 2020. 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 2020 compares with 2019 - Statement of Net Position (Deficit)

Chart 2 provides condensed information from the Statement of Net Position (Deficit) for 2020 and 2019.

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

	2020	2019	Variance Increase (Decrease) Amount	Variance Increase (Decrease) Percent (%)
Assets				
Capital Assets (net)	\$ 483,930	\$ 524,100	\$ (40,170)	(7.66)%
Other Assets	11,069,687	10,485,228	584,459	5.57%
Total Assets	11,553,617	11,009,328	544,289	4.94%
Deferred Outflows of Resources	5,681,590	3,922,142	1,759,448	44.86%
Total Assets and Deferred Outflows	17,235,207	14,931,470	2,303,737	15.43%
Liabilities				
Current Liabilities	1,110,829	576,723	534,106	92.61%
Non-current Liabilities	26,348,950	24,158,629	2,190,321	9.07%
Total Liabilities	27,459,779	24,735,352	2,724,427	11.01%
Deferred Inflows of Resources	2,393,590	1,278,803	1,114,787	87.17%
Total Liabilities and Deferred Inflows	29,853,369	26,014,155	3,839,214	14.76%
Net Deficit	\$ (12,618,162)	\$(11,082,685)	\$ (1,535,477)	13.85%

Capital assets decreased from 2019 to 2020 because the \$127,862 purchase price of capital assets was less than the depreciation expense of \$167,378 and loss on disposal of assets of \$654. 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 \$97,558 and accounts receivable increased by \$582,349.

Current Liabilities increased due to increases 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 Assets. 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 \$12,618,162.

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

How 2020 compares with 2019 Statement of Activities

Chart 3 below gives comparative data from the Statement of Activities for the fiscal years ended December 31, 2020 and 2019.

CHART 3: Statement of Activities Comparative Data

	2020	2019	Variance Increase (Decrease) Amount	Variance Increase / Decrease Percent (%)
Program Revenues	\$ 7,507,773	\$ 10,505,923	\$ (2,998,150)	(28.54)%
General Revenues	3,857,054	1,802,799	2,054,255	113.95%
Total Revenues	11,364,827	12,308,722	(943,895)	(7.67)%
Expenses:				
Civil District Court	7,584,875	5,943,703	1,641,172	27.61%
First City Court	3,504,921	3,180,580	324,341	10.20%
Second City Court	752,811	691,622	61,189	8.85%
Domestic Support	1,057,697	948,955	108,742	11.46%
Total Expenses	12,900,304	10,764,860	2,135,444	19.84%
Change in net position	(1,535,477)	1,543,862	(3,079,339)	(199.46)%
Net Deficit Beginning of year	(11,082,685)	(12,626,547)	\$1,543,862	(12.23)%
Net Deficit End of year	\$ (12,618,162)	\$ (11,082,685)	\$ (1,535,477)	13.85%

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 2020 and 2019:

CHART 4: 2020 and 2019 Budgetary Comparative Data

2020	Original Budget	Amended Budget	Actual
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

2019	Original Budget	Actual
Revenue	\$ 11,808,635	\$ 12,308,723
Total Revenues	11,808,635	12,308,723
Operating expenditures	10,687,648	10,224,837
Capital expenditures	300,000	263,209
Total expenditures	10,987,648	10,488,046
Change in Fund Balance	\$ 820,987	\$ 1,820,677

Significant Events

The COVID-19 Pandemic has been the most significant event to affect the Judicial Expense Fund and indeed the world in 2020. The Judicial Expense Fund experienced increased expenditures for safety and COVID-19 compliance and reduced revenues due to the courthouse closure from March–April 2020. The Federal moratorium on evictions and the Louisiana Supreme Court moratoriums on jury trials at various points throughout the year have 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 \$17,967,894 discussed in Note 10, an accrued post-employment benefit liability of \$7,855,553 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.

Since the Judicial Expense Fund has only one fund, the General Fund, no fund analysis is necessary as this entire discussion pertains to this single general fund.

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

<i>December 31, 2020</i>	Governmental Activities
Current assets	
Cash and cash equivalents	\$ 9,818,227
Accounts receivable, net	1,177,941
Interest receivable	11,671
Prepaid expense	61,848
Total current assets	11,069,687
Noncurrent assets	
Capital assets, net of accumulated depreciation	483,930
Total assets	11,553,617
Deferred outflows of resources	
Deferred outflows related to pensions	4,910,952
Deferred outflows related to OPEB	770,638
Total deferred outflows of resources	5,681,590
Total assets and deferred outflows of resources	17,235,207
Current liabilities	
Accounts payable and accrued expenses	595,556
Salaries and benefits payable	97,236
Other noncurrent liabilities due within one year	64,000
Total OPEB liability due within one year	354,037
Total current liabilities	1,110,829
Noncurrent liabilities	
Net pension liability	17,967,894
Other noncurrent liabilities	879,540
Total OPEB liability	7,501,516
Total noncurrent liabilities	26,348,950
Deferred inflows of resources	
Deferred inflows related to pensions	583,581
Deferred inflows related to OPEB	1,810,009
Total deferred inflows of resources	2,393,590
Total liabilities and deferred inflows of resources	29,853,369
Net position (deficit)	
Net investment in capital assets	483,930
Unrestricted	(13,102,092)
Total net position (deficit)	\$ (12,618,162)

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, 2020

	Expenses	Charges for Services and Fines	Operating Grants	Net (Expenses) Revenues Change in Net Position
Governmental Activities:				
Program:				
Civil District Court	\$ 7,584,875	\$ 5,523,507	\$ 30,000	\$ (2,031,368)
First City Court	3,504,921	1,582,284	-	(1,922,637)
Second City Court	752,811	226,440	-	(526,371)
Domestic Support	1,057,697	145,542	-	(912,155)
Total governmental activities	\$ 12,900,304	\$ 7,477,773	\$ 30,000	(5,392,531)

General revenues:

Interest income	113,836
Other income	3,743,218
Total general revenue	3,857,054

Change in net position (1,535,477)

Net position, beginning of year (11,082,685)

Net position, end of year \$ (12,618,162)

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, 2020</i>	Total Governmental Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 9,818,227
Accounts receivable	46,518
Interest receivable	11,671
Due from Clerk of Civil District Court	
Benefit Fund	2,016
Salary Fund	1,129,407
Prepaid items	61,848
<hr/>	
Total assets	\$ 11,069,687
<hr/>	
Liabilities and Fund Balance	
Liabilities	
Accounts payable and accrued expenses	\$ 595,556
Salaries payable	97,236
<hr/>	
Total liabilities	692,792
Fund balance	
Nonspendable	61,848
Unassigned	10,315,047
<hr/>	
Total fund balance	10,376,895
<hr/>	
Total liabilities and fund balance	\$ 11,069,687
<hr/>	

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

<i>December 31,</i>	<i>2020</i>
Total fund balances - governmental funds	\$ 10,376,895
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	\$ 1,151,929
Less accumulated depreciation and amortization	<u>(667,999)</u> 483,930
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 under full accrual accounting.	
Deferred outflows related to net pension liability	4,910,952
Deferred inflows related to net pension liability	<u>(583,581)</u> 4,327,371
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 under full accrual accounting.	
Deferred outflows related to total OPEB liability	770,638
Deferred inflows related to total OPEB liability	<u>(1,810,009)</u> (1,039,371)
Long-term liabilities, including total OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(17,967,894)
Other noncurrent liabilities	(943,540)
Total OPEB liability	<u>(7,855,553)</u> (26,766,987)
Net position of governmental activities	<u><u>\$(12,618,162)</u></u>

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, 2020</i>		Totals
Revenues		
Filing fees, net	\$	7,278,763
Interest income		113,836
Domestic support		145,542
Grants		30,000
Other income		3,596,870
<hr/>		
Total revenues		11,165,011
Direct Expenditures		
Salaries		6,215,722
Employee benefits		3,082,062
Court reporters and interpreters		9,826
Jury meals and transportation		46,755
<hr/>		
Total direct expenditures		9,354,365
Indirect Expenditures		
Books, printing and copying		146,388
Building and personnel security		138,022
Capital expenditures		127,862
Communication		161,409
Facilities		32,783
Furniture, equipment, and maintenance		148,017
Insurance		179,022
Office supplies and expenditures		121,209
Other expenditures		85,695
Postage and couriers		28,003
Professional education and dues		28,963
Professional services		144,883
<hr/>		
Total indirect expenditures		1,342,256
<hr/>		
Total expenditures		10,696,621
<hr/>		
Net change in fund balance		468,390
Fund balance, beginning of year		9,908,505
<hr/>		
Fund balance, end of year	\$	10,376,895
<hr/>		

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>	<i>2020</i>
Net change in fund balances - total governmental funds	\$ 468,390
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Depreciation	(167,378)
Capital expenditures	127,862
Loss on disposal of assets	(654)
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:	
Change in deferred outflows of resources	1,373,805
Change in deferred inflows of resources	(267,574)
Change in net pension liability	(2,152,870)
Long-term liabilities:	
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:	
Change in deferred outflows of resources	385,643
Change in deferred inflows of resources	(847,213)
Net change in total OPEB liability	(508,956)
Net change in other non-current liabilities not due or payable in the current period	53,468
Change in net position of governmental activities	\$ (1,535,477)

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 fund as follows:

General Fund

The General Fund is used to account for all financial resources of the Judicial Expense 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, 2020, the total paid by the Judicial Expense Fund for all City Court Judges' salaries was \$353,247.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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.

The Judges En Banc at a public meeting on December 10, 2019, adopted a budget for the fiscal year ended December 31, 2020. The budget was amended on December 1, 2020.

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.

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 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.

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)

Additional Operating Expenses (Continued)

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

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:

<u>Asset Class</u>	<u>Estimated Useful Lives in Years</u>
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 live is not capitalized.

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.

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)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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, 2020 and for the year then ended, the Judicial Expense Fund did not have or receive restricted net assets.

Fund Financial Statements

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

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, 2020.

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, 2020.

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 (Continued)

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, 2020.

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, 2020 totaled \$10,376,895 of which \$10,315,047 was classified as unassigned and \$61,848 was classified as nonspendable as this balance related to prepaid expenses.

Future Accounting Pronouncements

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.

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 June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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 14, 2021, 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.

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

Notes to the Financial Statements

Note 3: CASH

Cash includes amounts in demand deposit accounts. As of December 31, 2020, the carrying amounts of the Judicial Expense Fund's deposits totaled \$9,818,227 and the bank balances totaled \$9,870,123. Of these amounts, \$2,109,872 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.

Note 4: ACCOUNTS RECEIVABLE

As of December 31, 2020, accounts receivable is as follows:

Clerk's Salary Fund receivable, net	\$ 1,129,407
Clerk's Benefit Fund receivable	2,016
Other	46,518
Total	<u>\$ 1,177,941</u>

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

Notes to the Financial Statements

Note 5: CAPITAL ASSETS

The following is a summary of capital assets for the year ended December 31, 2020:

	January 1, 2020	Additions	Retirements	December 31, 2020
Computer equipment	\$ 214,466	\$ 24,590	\$ -	\$ 239,058
Computer software	155,638	-	-	155,638
Office equipment	153,706	74,106	-	227,812
Furniture and fixtures	136,085	27,355	(1,674)	161,766
Leasehold improvements	365,846	1,811	-	367,657
Total	1,025,741	127,862	(1,674)	1,151,929
Less: accumulated depreciation	(501,641)	(167,378)	1,020	(667,999)
Capital assets, net	\$ 524,100	\$ (39,516)	\$ (654)	\$ 483,930

Depreciation expense charged to each function for the year ended December 31, 2020 is as follows:

Civil District Court	\$ 126,370
First City Court	35,819
Second City Court	5,189
Total	\$ 167,378

An analysis of changes in accumulated depreciation and amortization by asset classification for the year ended December 31, 2020 is as follows:

	January 1, 2020	Additions	Retirements	December 31, 2020
Computer equipment	\$ 91,294	\$ 43,558	\$ -	\$ 134,852
Computer software	57,818	31,127	-	88,945
Office equipment	85,025	23,963	-	108,988
Furniture and fixtures	89,662	14,679	1,020	103,321
Leasehold improvements	177,842	54,051	-	231,893
Total	\$ 501,641	\$ 167,378	\$ 1,020	\$ 667,999

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

Notes to the Financial Statements

Note 5: CAPITAL ASSETS (Continued)

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 \$4,328,806 through December 31, 2020. Building additions and improvements made for the year ended December 31, 2020 amounted to \$7,905 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, 2020 amounted to \$11,671 and is included in the accompanying financial statements.

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 2020 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.

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

Notes to the Financial Statements

Note 7: CHANGES IN NONCURRENT LIABILITIES

The following is a summary of changes in noncurrent liabilities for the year ended December 31, 2020.

	Other Noncurrent Liabilities	Total OPEB Liability	Net Pension Liability	Totals
Beginning of year	\$ 997,008	\$ 7,346,597	\$ 15,815,024	\$ 24,158,629
Additions	-	508,956	2,152,870	2,661,826
Retirements	(53,468)	-	-	(53,468)
End of year	\$ 943,540	\$ 7,855,553	\$ 17,967,894	\$ 26,766,987
Due within one year	\$ 64,000	\$ 354,037	\$ -	\$ 418,037

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, 2020 was \$943,540 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.

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	54
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	87
	141

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 \$3,115,330 was measured as of July 1, 2019 and was determined by an actuarial valuation as of July 1, 2019. 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 0.0861%, 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, 2019 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	2.79% based on the S&P 20-Year municipal bond index as of July 1, 2019
Healthcare cost trend rates	7%-4.5% as of July 1, 2019
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. For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018. For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

The actuarial assumptions used in the July 1, 2019 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, 2019	\$ 7,346,597
Changes for the year:	
Service cost	1,011,692
Interest	454 275
Differences between expected and actual experience	770 791
Changes in assumptions	(1,396,151)
Benefit payments	(331,651)
Net changes	508,956
Balance at December 31, 2020	\$ 7,855,553

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 (1.79%)	Current Discount Rate (2.79%)	1.0% Increase (3.79%)
Total OPEB liability	\$ 9,237,380	\$ 7,855,553	\$ 6,765,245

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%-6.0%) or 1-percentage-point higher (5.5%-8.0%) than the current healthcare trend rates:

	1.0% Decrease	Current Trend Rate	1.0% Increase
Total OPEB liability	\$ 6,726,450	\$ 7,855,553	\$ 9,311,157

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

For the year ended December 31, 2020, the Judicial Expense Fund recognized OPEB expense of \$1,282,935. At December 31, 2020, the Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 610,210	\$ (288,247)
Changes in assumptions	-	(1,521,762)
Benefit payments subsequent to measurement date	160,428	-
Total	\$ 770,638	\$ (1,810,009)

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 June 30:

2021	\$ (395,403)
2022	(395,403)
2023	(304,769)
2024	(104,224)

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, laclerkofcourt.org, and lsprf.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, 2020 are as follows:

Plan	Period	Employer Contribution (%)	Employee Contribution (%)
LASERS (Regular Employees)			
Pre Act 75 (hired before 7/1/2006)	1/1-6/30	40.70%	7.50%
Pre Act 75 (hired before 7/1/2006)	7/1-12/31	40.10%	7.50%
Post Act 75 (hired on or after 7/1/2006)	1/1-6/30	40.70%	8.00%
Post Act 75 (hired on or after 7/1/2006)	7/1-12/31	40.10%	8.00%
LASERS (Judges)			
Judges & Judicial Employees (hired before 1/1/2011)	1/1-6/30	42.40%	11.50%
Judges & Judicial Employees (hired before 1/1/2011)	7/1-12/31	42.50%	11.50%
Elected Judges (hired on or after 1/1/2011)	1/1-6/30	42.00%	13.00%
Elected Judges (hired on or after 1/1/2011)	7/1-12/31	43.60%	13.00%
LCCRRF			
Clerks of Court Employees	1/1-6/30	19.00%	8.25%
Clerks of Court Employees	7/1-12/31	19.00%	8.25%
LSPRF			
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 2020 amounted to:

Plan	Actuarially Determined 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	21.24%
LSPRF	10.45%

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, 2020.

Contributions to the plans for the year ended December 31, 2020 were as follows:

Plan	Contributions
LASERS	\$ 1,627,321
LCCRRF	283,910
LSPRF	99,940
	\$ 2,011,171

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, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation 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 liability of LSERS was based on the Judicial Expense Fund's historical contributions.

The following table reflects the Judicial Expense Fund's proportionate share of the Net Pension Liability for each of the pension plans, the proportion at June 30, 2020 and the change compared to the June 30, 2019 proportion.

	Net Pension Liability at June 30, 2020	Proportion at June 30, 2019	Increase (Decrease) to June 30, 2020 Proportion
LASERS	\$ 15,182,879	0.183575%	-0.007675%
LCCRRF	2,035,939	0.846240%	0.061173%
LSPRF	749,076	0.108230%	0.000570%
	\$ 17,967,894		

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, 2020.

	Pension Expense (Benefit)	Amortization	Total
LASERS	\$ 1,956,248	\$ 637,112	\$ 2,593,360
LCCRRF	409,622	18,960	428,582
LSPRF	189,907	(7,692)	182,215
	<u>\$ 2,555,777</u>	<u>\$ 648,380</u>	<u>\$ 3,204,157</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
LASERS		
Differences between expected and actual experience	\$ -	\$ (145,811)
Changes in assumptions	48,580	-
Net difference between projected and actual earnings on pension plan investments	2,219,446	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	385,667	(264,803)
Employer contributions subsequent to the measurement date	842,153	-
Total LASERS	<u>\$ 3,495,846</u>	<u>\$ (410,614)</u>
LCCRRF		
Differences between expected and actual experience	\$ 25,438	\$ (25,184)
Changes in assumptions	180,570	-
Net difference between projected and actual earnings on pension plan investments	436,353	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	163,091	(27,605)
Employer contributions subsequent to the measurement date	154,783	-
Total LCCRRF	<u>\$ 960,235</u>	<u>\$ (52,789)</u>

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

Note 10: PENSION PLANS (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
LSPRF		
Differences between expected and actual experience	\$ -	\$ (87,552)
Changes in assumptions	184,116	-
Net difference between projected and actual earnings on pension plan investments	180,223	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,493	(32,626)
Employer contributions subsequent to the measurement date	50,039	-
Total LSPRF	\$ 454,871	\$ (120,178)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
LASERS	\$ 3,495,846	\$ (410,614)
LCCRRF	960,235	(52,789)
LSPRF	454,871	(120,178)
	\$ 4,910,952	\$ (583,581)

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, 2021. The following table lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
LASERS	\$ 842,153
LCCRRF	154,783
LSPRF	50,039
	\$ 1,046,975

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

	Amount of Amortization			
Years ending December 31:	LASERS	LCCRRF	LSPRF	Total
2021	\$ 403,539	\$ 186,336	\$ 39,035	\$ 628,910
2022	640,046	226,073	77,766	943,885
2023	685,865	186,807	84,739	957,411
2024	513,629	153,447	71,916	738,992
2025	-	-	11,198	11,198
	\$ 2,243,079	\$ 752,663	\$ 284,654	\$ 3,280,396

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, 2020 are as follows:

	LASERS	LCCRRF	LSPRF
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining Service Lives	2 years	5 years	6 years
Investment Rate of Return	7.55% per annum	6.75%, net of investment expense	7.00% per annum
Inflation Rate	2.30% per annum	2.50% per annum	2.50% per annum
Salary Increases	2.6% - 13.8%	5.0% - 6.2%	5.00% (2.50% inflation, 2.50% merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.	The 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)

	LASERS	LCCRRF	LSPRF
Mortality	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.	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale	Non-disabled members - Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 120% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale. Disabled members – Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 120% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2015-2019) experience study of the System's members.	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

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 8.25% for 2020.	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-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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, 2020:

Asset Class	Target Allocation			Long-Term Expected Portfolio Real Rate of Return		
	LASERS	LCCRRF	LSPRF	LASERS	LCCRRF	LSPRF
Cash	-	-	-	-0.59%	-	-
Domestic equity	23.0%	33.0%	62.0%	4.79%	7.50%	4.2%
International equity	32.0%	22.0%	-	5.83%	8.50%	-
Domestic fixed income	6.0%	20.0%	23.0%	1.76%	2.50%	0.6%
International fixed income	10%	-	-	3.98%	3.50%	-
Alternative investments	22%	10.0%	15.0%	6.69%	6.59%	0.7%
Global asset allocation	-	-	-	-	-	-
Real estate	-	15.0%	-	-	4.50%	-
Risk parity	7%			4.20%		
Total	100.0%	100.0%	100.0%	5.81%		5.5%
Inflation						2.4%
Expected Arithmetic Nominal Return						7.9%

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 liability for LASERS, LCCRRF, and LSPRF were 7.55%, 6.75%, and 7.00% respectively, for the year ended December 31, 2020. The discount rates decreased 0.05%, 0.00%, and 0.10% respectively, from the discount rates used for the year ended December 31, 2019.

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 Liability to Changes in the Discount Rate

The following table presents the Judicial Expense Fund's proportionate share of the Net Pension Liability (NPL) using the discount rate of each pension plan as well as what the Judicial Expense Fund's proportionate share of the Net Pension Liability 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
LASERS			
Discount rate	6.55%	7.55%	8.55%
Share of NPL	\$ 18,657,395	\$ 15,182,879	\$ 12,234,368
LCCRRF			
Discount rate	5.75%	6.75%	7.75%
Share of NPL	\$ 2,841,124	\$ 2,035,939	\$ 1,357,270
LSPRF			
Discount rate	6.00%	7.00%	8.00%
Share of NPL	\$ 1,360,582	\$ 749,076	\$ 239,110

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, 2020, the Judicial Expense Fund recognized revenue as a result of support received from non-employer contributing entities of \$97,940 and 48,407, 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, 2020.

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.lla.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, 2020 was \$51,830.

Future minimum lease payments for this lease is as follows:

Year Ending December 31,	Amount
2021	\$ 55,412
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, 2020, 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 consisted of the following:

Land records revenue	\$ 1,692,565
Remote access fees	1,586,240
Jury bond rebate revenue	274,563
Other revenue	43,502
Total	<u>\$ 3,596,870</u>

Note 16: NET DEFICIT

For the year ended December 31, 2020, the Judicial Expense Fund had an increase in the net deficit of \$1,535,478. The impact of the implementation of GASB Nos. 68, 71, and 75 has resulted in a total net deficit of \$12,618,162.

Note 17: UNCERTAINTIES

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

**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, 2020</i>	Final Budget Amount	Actual Amounts	Variance Favorable (Unfavorable)
Revenues			
Filing fees, net	\$ 6,457,829	\$ 7,278,763	\$ 820,934
Interest income	125,000	113,836	(11,164)
Domestic support	135,000	145,542	10,542
Grants	-	30,000	30,000
Other income	2,235,000	3,596,870	1,361,870
Total revenues	8,952,829	11,165,011	2,212,182
Direct Expenditures			
Salaries	6,316,202	6,215,722	100,480
Employee benefits	3,172,627	3,082,062	90,565
Court reporters and interpreters	12,648	9,826	2,822
Jury meals and transportation	52,045	46,755	5,290
Total direct expenditures	9,553,522	9,354,365	199,157
Indirect Expenditures			
Books, printing and copying	168,577	146,388	22,189
Building and personnel security	138,535	138,022	513
Capital expenditures	300,000	127,862	172,138
Communication	175,453	161,409	14,044
Facilities	38,452	32,783	5,669
Furniture, equipment, and maintenance	162,262	148,017	14,245
Insurance	141,750	179,022	(37,272)
Office supplies and expenditures	204,720	121,209	83,511
Other expenditures	14,443	85,695	(71,252)
Postage and couriers	25,078	28,003	(2,925)
Professional education and dues	77,974	28,963	49,011
Professional services	158,028	144,883	13,145
Total indirect expenditures	1,605,272	1,342,256	263,016
Total expenditures	11,158,794	10,696,621	462,173
Excess of Revenues Over Expenditures	\$ (2,205,965)	\$ 468,390	\$ 1,750,009

See accompanying notes to required supplementary information - budgeting reporting.

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

Notes to Required Supplementary Information – Budgeting 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, 2020, for the Judicial Expense Fund, the proposed original budget was advertised on November 4-6, 2019. It was available for public inspection and comment and was legally adopted at an open meeting of the Judges En Banc on December 10, 2019. The budget was amended on December 1, 2020.

Judicial Expense Fund for Civil District Court of the Parish of Orleans
Schedule of Employer's Proportionate Share of Net Pension Liabilities
Last Six Fiscal Years

For the Year Ended June 30,	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
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%
Louisiana Sheriffs' Pension and Relief Fund					
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%
Louisiana Clerks of Court Retirement and Relief Fund					
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 Six Fiscal Years

For the Year Ended December 31,	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System					
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%
Louisiana Sheriffs' Pension and Relief Fund					
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%
Louisiana Clerks of Court Retirement and Relief Fund					
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, 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, 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, 2020, the discount rate was reduced from 7.10% to 7.00%, the projected merit increase rate was decreased from 3.00% to 2.50%, and the mortality rates were updated to the Pub-2010 Public Retirement Plans Mortality Tables. 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 Three Fiscal Years

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

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the three 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, and 2.79% as of July 1, 2019. 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, 2020

	Clerk of Civil District Court	First City Court	Second City Court	Domestic Support	Totals
Revenues					
Filing fees, net	\$ 5,523,507	\$ 1,582,284	\$ 226,440	\$ -	\$ 7,332,231
Interest income	85,946	24,361	3,529	-	113,836
Grant Income	30,000	-	-	-	30,000
Other income	2,892,462	742,027	108,729	145,542	3,888,760
Total revenues	8,531,915	2,348,672	338,698	145,542	11,364,827
Direct Expense					
Salaries	3,221,624	1,870,923	413,261	709,914	6,215,722
Employee benefits	3,321,452	1,314,253	289,357	320,511	5,245,573
Court reporters and interpreters	46,754	-	-	-	46,754
Jury meals and transportation	7,618	971	300	937	9,826
Total direct expenses	6,597,448	3,186,147	702,918	1,031,362	11,517,875
Indirect Expenses					
Books, printing and copying	109,524	28,424	4,329	4,111	146,388
Building and personnel security	104,206	29,536	4,279	-	138,021
Communication	142,513	16,522	2,374	-	161,409
Depreciation	126,370	35,819	5,189	-	167,378
Facilities	6,660	24,783	1,505	-	32,948
Furniture, equipment and maintenance	113,776	29,665	5,230	-	148,671
Insurance	112,048	43,184	2,742	21,049	179,023
Office supplies and expenses	83,931	30,363	5,742	1,175	121,211
Postage and couriers	20,455	6,225	1,323	-	28,003
Professional education and dues	24,317	4,141	506	-	28,964
Professional services	89,995	45,143	9,745	-	144,883
Other expenses	53,632	24,969	6,929	-	85,530
Total indirect expenses	987,427	318,774	49,893	26,335	1,382,429
Total expenses	7,584,875	3,504,921	752,811	1,057,697	12,900,304
Excess of Revenues Over Expenses					
(Expenses over Revenues)	\$ 947,040	\$ (1,156,249)	\$ (414,113)	\$ (912,155)	\$ (1,535,477)

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: Christopher Bruno

For the year ended December 31, 2020

Purpose

Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

* 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 his capacity on the En Banc.

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

	First Six Month Period Ended June 30, 2020	Second Six Month Period Ended December 31, 2020
<i>For the year ended December 31, 2020</i>		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	3,144,206	4,513,170
Bond Fees	124,795	149,768
Probation/Parole/Supervision Fees	75,539	70,004
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	1,150,776	232,735
Interest Earnings on Collected Balances	18,755	95,081
Other (<i>do not include collections that fit into more specific categories above</i>)	768,000	983,384
Subtotal Collections	5,282,071	6,044,142
Less: Disbursements To Governments and Nonprofits:		
<i>Judges Supplemental Comp</i>	148,588	175,458
<i>Clerks Supplemental Comp</i>	13,800	16,200
<i>La Supreme Court Processing Fee</i>	7,028	9,769
<i>La Judicial College</i>	3,208	4,177
<i>Civil District Court for the Parish of Orleans Judicial Building Commission Act 963</i>	92,552	105,484
<i>Pro Bono Project</i>	2,475	3,603
<i>Southeast LA Legal Aid</i>	21,106	236,789
	31,660	35,683
Less: Amounts Retained by Collecting Agency	4,955,608	5,449,962
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Other Disbursements to Individuals	6,046	7,017
Subtotal Disbursements/Retainage	5,282,071	6,044,142
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ -	\$ -

REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS

**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 Board of Commissioners,
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, 2020, 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 June 14, 2021.

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.

Cam, Riggs & Ingram, L.L.C.

Metairie, Louisiana
June 14, 2021

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, 2020 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, 2020.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

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

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, 2019.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

There were findings related to compliance and other matters for the year ended December 31, 2019.

2019-001 Compliance with State Public Bid Law

Condition - The contract for a copier lease and a digital recording system over \$30,000 was awarded to the lowest bidder through three phone quotes and not through advertisement and sealed bids.

Recommendation - We recommend that the Judicial Expense Fund comply with the state public bid law by advertising and obtaining sealed bids for purchases of materials and supplies exceeding the sum of \$30,000.

Status – Resolved.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

Not applicable.