

**The Family Court of
East Baton Rouge Parish –
Judicial Expense Fund
Baton Rouge, Louisiana
Financial Report
December 31, 2021**

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**HAWTHORN
WAYMOUTH
& CARROLL, L.L.P.**
Certified Public Accountants

Louis C. McKnight, III, CPA
Charles R. Pevey, Jr., CPA
David J. Broussard, CPA
Brittany B. Thames, CPA
Kevin M. Rodriguez, CPA

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of The Family Court of East Baton Rouge Parish – Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise The Family Court of East Baton Rouge Parish – Judicial Expense Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of The Family Court of East Baton Rouge Parish – Judicial Expense Fund as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an

audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Family Court of East Baton Rouge Parish – Judicial Expense Fund's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule – receiving entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule – receiving entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer and the justice system funding schedule – receiving entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022 on our consideration of The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s internal control over financial reporting and compliance.

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

June 28, 2022

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Management’s Discussion and Analysis
December 31, 2021**

The purpose of this section is to offer management’s discussion and analysis of The Family Court of East Baton Rouge Parish – Judicial Expense Fund’s (“the Judicial Expense Fund”) financial performance during the year ended December 31, 2021. It should be read in conjunction with the financial report taken as a whole.

Financial Highlights

- The Judicial Expense Fund’s liabilities plus deferred inflows of resources exceed its assets plus deferred outflows of resources as of December 31, 2021 by \$5,358,693 (net position).
- The Judicial Expense Fund’s net position increased \$115,922 from the previous year.

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Capital Assets

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Management’s Discussion and Analysis
December 31, 2021**

Notes to Financial Statements

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

GOVERNMENTAL ACTIVITIES

The Judicial Expense Fund’s operations are funded extensively by the City of Baton Rouge and Parish of East Baton Rouge (“the City-Parish”). Operational funding by the City-Parish increased by \$10,178, or 0.91%, from 1899. The other major source of funding for the Judicial Expense Fund is court fees, which increased by \$11,638, or 5.55%, from 1899.

The following table reflects the condensed Statement of Net Position for 2021, with comparative figures from 1899:

**Condensed Statements of Net Position
December 31, 2021**

	Governmental Activities	
	2021	2020
Assets		
Current assets	\$ 384,118	\$ 363,347
Capital assets, net of depreciation	26,465	23,951
Total assets	410,583	387,298
Deferred Outflows of Resources	1,892,894	737,249
Liabilities		
Current liabilities	998	16,582
Long-term liabilities	6,218,554	4,514,055
Total liabilities	6,219,552	4,530,637
Deferred Inflows of Resources	1,442,618	1,201,920
Net Position		
Net investment in capital assets	26,465	23,951
Unrestricted (deficit)	(5,385,158)	(4,631,961)
Total net position	\$ (5,358,693)	\$ (4,608,010)

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Management’s Discussion and Analysis
December 31, 2021**

GOVERNMENTAL ACTIVITIES (Continued)

The table below provides a summary of the Statement of Activities for the year ended December 31, 2021, with comparative figures from :

**Condensed Statements of Activities
Years Ended December 31, 2021**

	Governmental Activities	
	2021	2020
Program Revenues		
Charges for services	\$ 221,386	\$ 209,748
Operating grants and contributions	<u>1,131,868</u>	<u>1,121,690</u>
Total program revenues	1,353,254	1,331,438
Expenses		
Governmental activities	<u>1,237,332</u>	<u>1,039,277</u>
Change in Net Position	<u>115,922</u>	<u>292,161</u>
Net Position, Beginning of Year , as previously reported	(4,608,010)	(4,900,171)
Prior Period Adjustment	<u>(866,605)</u>	<u>-</u>
Net Position, Beginning of Year , as restated	<u>(5,474,615)</u>	<u>(4,900,171)</u>
Net Position, End of Year	<u>\$ (5,358,693)</u>	<u>\$ (4,608,010)</u>

Contacting Management

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

Basic Financial Statements

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Statement of Net Position
December 31, 2021**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 384,118
Capital assets, net of depreciation	<u>26,465</u>
Total assets	<u>410,583</u>
Deferred Outflows of Resources	
Deferred outflow amounts related to net pension liability	328,034
Deferred outflow amounts related to other postemployment benefit liability	<u>1,564,860</u>
Total deferred outflows of resources	<u>1,892,894</u>
Liabilities	
Accrued liabilities	998
Non-current liabilities	
Due within one year	10,000
Due in more than one year	<u>6,208,554</u>
Total liabilities	<u>6,219,552</u>
Deferred Inflows of Resources	
Deferred inflow amounts related to net pension liability	481,758
Deferred inflow amounts related to other postemployment benefit liability	<u>960,860</u>
Total deferred inflows of resources	<u>1,442,618</u>
Net Position	
Net investment in capital assets	26,465
Unrestricted (deficit)	<u>(5,385,158)</u>
Total net position	<u>\$ (5,358,693)</u>

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Statement of Activities
Year Ended December 31, 2021**

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Net Revenue	
Functions and Programs				
Governmental activities				
Judicial	<u>\$ 1,237,332</u>	<u>\$ 221,386</u>	<u>\$ 1,131,868</u>	<u>\$ 115,922</u>
Total governmental activities	<u>\$ 1,237,332</u>	<u>\$ 221,386</u>	<u>\$ 1,131,868</u>	<u>115,922</u>
Change in Net Position				115,922
Net Position				
Beginning of year, as restated				<u>(5,474,615)</u>
End of year				<u>\$ (5,358,693)</u>

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Balance Sheet
Governmental Fund
December 31, 2021**

	General Fund
Assets	
Cash and cash equivalents	<u>\$ 384,118</u>
Total assets	<u><u>\$ 384,118</u></u>
Liabilities	
Accrued liabilities	<u>\$ 998</u>
Total liabilities	<u>998</u>
Fund Balance	
Unassigned	<u>383,120</u>
Total fund balance	<u>383,120</u>
Total liabilities and fund balance	<u><u>\$ 384,118</u></u>

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Reconciliation of Governmental Fund Balance
Sheet to the Statement of Net Position
December 31, 2021**

Total governmental fund balance	\$	383,120
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		26,465
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Certain long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the governmental fund:

Deferred outflows of resources related to net pension liability	\$ 328,034	
Deferred outflows of resources related to other postemployment benefit liability	<u>1,564,860</u>	1,892,894

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental fund:

Compensated absences payable	(136,332)	
Other postemployment benefit liability	(3,892,803)	
Net pension liability	(2,189,419)	
Deferred inflows of resources related to net pension liability	(481,758)	
Deferred inflows of resources related to other postemployment benefit liability	<u>(960,860)</u>	<u>(7,661,172)</u>

Net position of governmental activities	\$	<u>(5,358,693)</u>
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The accompanying notes are an integral part of these financial statements.

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Statement of Revenues, Expenditures and Change in Fund Balance
of Governmental Fund
Year Ended December 31, 2021**

	General Fund
Revenues	
Fees and fines	\$ 221,386
Intergovernmental	<u>1,131,868</u>
Total revenues	<u>1,353,254</u>
Expenditures	
Current	
Judicial	1,298,513
Capital outlay	<u>18,386</u>
Total expenditures	<u>1,316,899</u>
Change in Fund Balance	36,355
Fund Balance, beginning of year	<u>346,765</u>
Fund Balance, end of year	<u><u>\$ 383,120</u></u>

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Reconciliation of the Statement of Revenues, Expenditures and Change in
Fund Balance of Governmental Fund to the Statement of Activities
Year Ended December 31, 2021**

Change in fund balance - governmental fund	\$	36,355
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$ 18,386	
Depreciation expense	<u>(15,872)</u>	2,514

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Increase in compensated absences payable	(20,577)	
Increase in other postemployment benefit liability	(1,021,796)	
Decrease in net pension liability	204,479	
Increase in deferred outflows of resources related to other postemployment benefit liability	1,215,992	
Decrease in deferred outflows of resources related to net pension liability	(60,347)	
Increase in deferred inflows of resources related to other postemployment benefit liability	(99,085)	
Increase in deferred inflows of resources related to net pension liability	<u>(141,613)</u>	<u>77,053</u>

Change in net position of governmental activities	\$	<u>115,922</u>
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The accompanying notes are an integral part of these financial statements.

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 1-Summary of Significant Accounting Policies

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

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

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

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

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

A. Basis of Presentation

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

B. Basic Financial Statements

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

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 1-Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements (Continued)

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

D. Cash and Cash Equivalents

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

E. Receivables

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

F. Capital Assets

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 1-Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

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

Office furniture and equipment 5 – 7 years

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

G. Revenues

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

H. Compensated Absences

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

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

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

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

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

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 1-Summary of Significant Accounting Policies (Continued)

I. Fund Balance

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

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

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

At December 31, 2021, the Judicial Expense Fund only had unassigned fund balance.

J. Net Position

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

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

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

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 1-Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources

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

L. Accounting Estimates

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

Note 2-Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand and time deposits. The Judicial Expense Fund may deposit funds in demand deposit, interest-bearing demand deposit, money-market, or time deposit accounts in accordance with Louisiana Revised Statutes 39:1241-1245. As of December 31, 2021, the Judicial Expense Fund’s bank balances were fully insured by federal deposit insurance and not exposed to custodial credit risk.

Note 3-Capital Assets

Capital asset activity for the year ended December 31, 2021 is as follows:

	<u>Balance December 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
Office furniture and equipment	\$ 331,673	\$ 18,386	\$ -	\$ 350,059
Accumulated depreciation	<u>(307,722)</u>	<u>(15,872)</u>	<u>-</u>	<u>(323,594)</u>
Capital assets, net	<u>\$ 23,951</u>	<u>\$ 2,514</u>	<u>\$ -</u>	<u>\$ 26,465</u>

Depreciation expense charged to governmental activities was \$15,872 for the year ended December 31, 2021.

Note 4-Salary Expenditures

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 5-Defined Benefit Pension Plan

Plan Description

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

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

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

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

Retirement Benefits

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

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

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

A. Normal Retirement

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 5-Defined Benefit Pension Plan (Continued)

Retirement Benefits (Continued)

A. Normal Retirement (Continued)

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

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 5-Defined Benefit Pension Plan (Continued)

Retirement Benefits (Continued)

A. Normal Retirement (Continued)

	Members hired before <u>September 1, 2015</u>	Members hired on or after <u>September 1, 2015</u>
Ordinary disability:	No survivor benefits provided	No survivor benefits provided
Member with 20 or more years of service	100% J&S benefit, based on member's benefit	100% J&S benefit, based on member's benefit
Member with less than 20 years of service, years of service retirement eligible	\$600/ month benefit until earlier of death or remarriage, plus \$150/ month per child under age 18 (limit \$300/ month)	\$600/ month benefit until earlier of death or remarriage, plus \$150/ month per child under age 18 (limit \$300/ month)

B. Deferred Retirement Option Plan (DROP)

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

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

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 5-Defined Benefit Pension Plan (Continued)

Funding Policy

Contribution rates for each participating employer and its covered employees are established and may be amended by the CPERS Board of Trustees, with approval by the Metropolitan Council. The contribution rates are determined based on the benefit structure established by the plan provisions. For 1899, members contributed 9.5% of their annual covered salary, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264(A)1(b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the Plan’s actuary. For 1899, the employer contribution rate was 35.10%. Administrative costs of the Retirement System are provided through investment earnings.

At December 31, 2021, the Judicial Expense Fund reported a liability of \$2,189,419 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, , and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The allocation method used in determining the Judicial Expense Fund’s proportion was based on their contribution effort to the plan for as compared to the total of all employers’ projected contribution effort to the plan for . The projected contribution effort was actuarially determined by the CPERS Trust’s actuary. At December 31, , the Judicial Expense Fund’s proportion was 0.3746%, which was a decrease of 0.0058% from its proportion measured as of December 31, . For the year ended December 31, 2021, the Judicial Expense Fund recognized pension benefit of \$2,519.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,807	\$ -
Net difference between projected and actual earnings on pension plan investments	-	250,633
Changes in assumptions	29,650	67,577
Changes in proportion	29,740	123,773
Differences between employer contributions and proportionate share of contributions	-	39,775
Contributions subsequent to measurement date	164,837	-
	<u>\$ 328,034</u>	<u>\$ 481,758</u>

The Judicial Expense Fund reported a total of \$164,837 as deferred outflows of resources related to pensions resulting from the Judicial Expense Fund’s contributions subsequent to the measurement date. This amount will be recognized as a reduction of the Net Pension Liability in the year ending December 31, 2022.

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 5-Defined Benefit Pension Plan (Continued)

Funding Policy (Continued)

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

Year Ending December 31,		
2022	\$	(44,531)
2023		(57,074)
2024		(170,968)
2025		(45,988)
	<u>\$</u>	<u>(318,561)</u>

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

Valuation Date	December 31, 2020 on a valuation date of January 1, 2021		
Actuarial Cost Method	Entry age normal		
Actuarial Assumptions:			
Expected Remaining Service Lives	5 years		
Investment Rate of Return	7.00% per year, compounded annually, net of investment expenses		
Inflation Rate	2.25%		
Discount Rate	7.00%		
Mortality	Healthy: RP-2006 Blue Collar (employee for active and annuitant for inactive) Projected back to 2001, Generational with MP 2018 (2016 base year)		
	Disabled: RP-2006 Disabled Table Projected back to 2001, Generational with MP 2018 (2016 base year)		
Salary Increases	<u>Years of Service</u>	<u>Age</u>	<u>Percent of Increase</u>
	Less than 1 year	22	7.60%
		27-32	4.90%
		37-62	3.40%
		67	1.50%

The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021

Note 5-Defined Benefit Pension Plan (Continued)

Funding Policy (Continued)

	<u>Years of Service</u>	<u>Age</u>	<u>Percent of Increase</u>
Salary Increases (Continued)	1 year or more	22	7.60%
		27	3.50%
		32	3.50%
		37	3.25%
Cost of Living Adjustments	None		

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

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

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

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

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Judicial Expense Fund’s proportionate share of net pension liability	\$ <u>2,816,651</u>	\$ <u>2,189,419</u>	\$ <u>1,663,534</u>

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 6-Other Postemployment Benefit Plan (OPEB)

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

Plan Description

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

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

The government pays the following percentages of scheduled premiums:

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

Funding Policy

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

The employer contribution to the OPEB plan for 2021 totaled \$110,798 as approved by the Metropolitan Council in the 2021 operating budget.

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

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

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

At December 31, 2021, the Judicial Expense Fund reported a liability of \$3,892,803 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of , and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of . At , the Judicial Expense Fund’s proportion was 0.29%, which was a .12% increase from the proportionate share at the measurement date.

For the year ended December 31, 2021, the Judicial Expense Fund recognized OPEB benefit of \$95,111.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 242,702	\$ -
Changes in assumptions	160,341	667,486
Changes in proportion	998,875	293,374
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,144	-
Contributions subsequent to measurement date	110,798	-
	\$ 1,564,860	\$ 960,860

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of \$110,798 will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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

<u>Year Ending December 31,</u>	
2022	\$ 47,914
2023	323,024
2024	122,264
	\$ 493,202

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

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

Actuarial Methods and Assumptions

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

Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Inflation	2.50%
Salary Increases	3.27% (average rate)
Discount Rate	2.12%
Healthcare Cost Trend Rates	
Medical	6.00% for 2021 to 2026, decreasing 0.50% per year to an ultimate rate of 4.50% for 2030 and later years
Dental	0.00% for 2021 and 2022, increasing to 4.50% for 2023 and later years
Mortality	RP-2006 Blue Collar base tables projected back to 2001 using the MP-2018 mortality improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates.

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

The following presents the Judicial Expense Fund’s proportionate share of the total OPEB liability, calculated using the discount rate of 2.12%, as well as what the Judicial Expense Fund’s proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.12%) or one percentage point higher (3.12%) than the current rate:

	<u>Changes in Discount Rate</u>		
	<u>1% Decrease (1.12%)</u>	<u>Current Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Judicial Expense Fund’s proportionate share of total OPEB liability	<u>\$ 4,686,209</u>	<u>\$ 3,892,803</u>	<u>\$ 3,339,695</u>

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

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

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

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

	Change in Healthcare Cost Trend Rates		
	1%	Current Healthcare Cost Trend Rates	1%
	Decrease		Increase
Judicial Expense Fund’s proportionate share of total OPEB liability	\$ 3,544,232	\$ 3,892,803	\$ 4,424,143

Note 7-Non-current Liabilities

The following is a summary of changes in non-current liabilities for the year ended December 31, 2021:

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Due Within One Year
Governmental Activities					
Compensated absences payable	\$ 115,755	\$ 20,577	\$ -	\$ 136,332	\$ 10,000
Net pension liability	2,393,898	99,452	(303,931)	2,189,419	-
Net OPEB liability	2,871,007	1,240,936	(219,140)	3,892,803	-
Total non-current liabilities	\$ 5,380,660	\$ 1,360,965	\$ (523,071)	\$ 6,218,554	\$ 10,000

Note 8-Concentrations of Credit Risk

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

Note 9-Prior Period Adjustment

A prior period adjustment was required to correct unrestricted net position of the government-wide financial statements. The adjustment was made to correct beginning OPEB liability for deficiencies in the prior valuation methodology. The effect of the adjustment to the financial statements is presented below:

Net Position, beginning of year, as previously reported	\$ (4,608,010)
Adjustment to increase OPEB liability	(866,605)
Net Position, beginning of year, as restated	\$ (5,474,615)

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Financial Statements
December 31, 2021**

Note 10-Subsequent Events

The Judicial Expense Fund evaluated all subsequent events through June 28, 2022, the date the financial statements were available to be issued. As a result, no subsequent events that required adjustment to, or disclosure in, these financial statements were noted.

Required Supplementary Information

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Schedule of Changes in Total OPEB Liability and Related Ratios
Years Ended December 31, 2021, 1899, 2019, and 2018***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 122,808	\$ 46,735	\$ 37,976	\$ 67,932
Interest on total OPEB liability	120,332	71,797	58,874	121,193
Effect of plan changes	-	-	73,546	(20,405)
Effect of economic/demographic gains	310,836	-	70,659	4,604
Effect of difference between expected and actual experience	-	-	-	-
Effect of assumption changes or inputs	(856,866)	205,665	(199,632)	13,444
Effect of change in proportion	1,401,647	(4,681)	(1,747,751)	-
Benefit payments	(76,961)	(47,937)	(44,005)	(78,399)
Net change in total OPEB liability	<u>1,021,796</u>	<u>271,579</u>	<u>(1,750,333)</u>	<u>108,369</u>
Total OPEB liability, beginning, as previously reported	2,004,402	1,732,823	3,483,156	3,374,787
Prior period adjustment	866,605	-	-	-
Total OPEB liability, beginning, as restated	<u>2,871,007</u>	<u>1,732,823</u>	<u>3,483,156</u>	<u>3,374,787</u>
Total OPEB liability, ending	<u>\$ 3,892,803</u>	<u>\$ 2,004,402</u>	<u>\$ 1,732,823</u>	<u>\$ 3,483,156</u>
Covered payroll	\$ 496,314	\$ 290,491	\$ 487,258	\$ 570,204
Total OPEB liability as a percentage of covered payroll	784.34%	690.00%	355.63%	610.86%

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Schedule of Proportionate Share of the Net Pension Liability
City of Baton Rouge and Parish of East Baton Rouge Employees’ Retirement System
Years Ended December 31, 2021, 1899, 1899, 1899, 1899, 2016, and 2015***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Judicial Expense Fund’s							
Proportion of net pension liability	0.37%	0.38%	0.41%	0.38%	0.38%	0.45%	0.41%
Proportionate share of net pension liability	\$2,189,419	\$2,393,898	\$2,983,827	\$2,058,448	\$2,263,810	\$2,590,246	\$1,785,254
Covered payroll	\$ 457,881	\$ 460,906	\$ 426,520	\$ 570,204	\$ 554,528	\$ 509,715	\$ 594,266
Proportionate share of net pension liability as a percentage of covered payroll	478.16%	519.39%	699.57%	361.00%	408.24%	508.18%	300.41%
Plan fiduciary net position as a percentage of total pension liability	68.78%	65.47%	59.36%	68.80%	64.09%	63.95%	70.90%

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Schedule of Contributions
City of Baton Rouge and Parish of East Baton Rouge Employees’ Retirement System
Years Ended December 31, 2021, 1899, 1899, 1899, 1899, 2016, and 2015***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 164,837	\$ 161,778	\$ 151,372	\$ 173,570	\$ 156,377	\$ 135,584	\$ 153,880
Contributions in relation to the contractually required contribution	\$ 164,837	\$ 161,778	\$ 151,372	\$ 173,570	\$ 156,377	\$ 135,584	\$ 153,880
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer’s covered payroll	\$ 457,881	\$ 460,906	\$ 426,520	\$ 570,204	\$ 554,528	\$ 509,715	\$ 594,266
Contributions as a percentage of covered payroll	36.00%	35.10%	35.49%	30.44%	28.20%	26.60%	25.89%

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Final Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees and fines	\$ -	\$ 209,000	\$ 221,386	\$ 12,386
Intergovernmental	<u>1,131,110</u>	<u>1,131,110</u>	<u>1,131,868</u>	<u>758</u>
Total revenues	<u>1,131,110</u>	<u>1,340,110</u>	<u>1,353,254</u>	<u>13,144</u>
Expenditures				
Current				
Judicial	1,131,110	1,346,110	1,314,097	32,013
Capital outlay	<u>-</u>	<u>-</u>	<u>18,386</u>	<u>(18,386)</u>
Total expenditures	<u>1,131,110</u>	<u>1,346,110</u>	<u>1,332,483</u>	<u>13,627</u>
Change in Fund Balance	-	(6,000)	20,771	(483)
Fund Balance				
Beginning of year	<u>346,765</u>	<u>346,765</u>	<u>346,765</u>	<u>-</u>
End of year	<u>\$ 346,765</u>	<u>\$ 340,765</u>	<u>\$ 367,536</u>	<u>\$ 26,771</u>

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Required Supplementary Information
December 31, 2021**

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

Note 1-Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2021.

Note 2-Changes in Assumptions

The discount rate changed from 2.74% as of the measurement date to 2.12% as of the measurement date.

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

Note 3-Changes of Benefit Terms

There were no changes of benefit terms for the year ended December 31, 2021.

Note 4-Changes in Assumptions

The discount rate remained at 7.00% as of the measurement date to the measurement date.

Notes to the budgetary comparison schedule:

Note 5-Budgetary Accounting and Control

A. Budget Law

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

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

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Notes to Required Supplementary Information
December 31, 2021**

Note 5-Budgetary Accounting and Control (Continued)

B. Budgetary Accounting

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

Supplementary Information

**The Family Court of East Baton Rouge Parish –
 Judicial Expense Fund
 Schedule of Compensation, Benefits, and Other
 Payments to Agency Head or Chief Executive Officer
 Year Ended December 31, 2021**

Agency Head Name: Ronald Bullion, Court Administrator

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 88,884
Benefits - insurance	6,377
Benefits - retirement	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	3,922
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Justice System Funding Schedule – Receiving Entity – Cash Basis
As Required by Act 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
Six Month Periods Ended June 30 and December 31, 2021**

	Six Month Period Ended <u>June 30, 2021</u>	Six Month Period Ended <u>December 31, 2021</u>
Receipts From:		
East Baton Rouge Parish Clerk of Court, filing fees - child support	\$ 6,965	\$ 6,537
East Baton Rouge Parish Clerk of Court, filing fees	58,893	55,783
East Baton Rouge Parish Sheriff's Office, criminal fines - contempt	23,935	16,980
State of Louisiana, interest earnings on collected balances	<u>25,204</u>	<u>24,992</u>
Total receipts	<u>\$ 114,997</u>	<u>\$ 104,292</u>
Ending Balance of Amounts Assessed but Not Received	<u>\$ -</u>	<u>\$ -</u>



**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of The Family Court of East Baton Rouge Parish – Judicial Expense Fund as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise The Family Court of East Baton Rouge Parish – Judicial Expense Fund's basic financial statements and have issued our report thereon dated June 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Family Court of East Baton Rouge Parish – Judicial Expense Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Family Court of East Baton Rouge Parish – Judicial Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of The Family Court of East Baton Rouge Parish – Judicial Expense Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 28, 2022

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Schedule of Findings and Responses
Year Ended December 31, 2021**

Part I. Summary of Auditor's Results

- 1) An unmodified opinion has been expressed on the financial statements of The Family Court of East Baton Rouge Parish – Judicial Expense Fund as of and for the year ended December 31, 2021, and the related notes to the financial statements.
- 2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.
- 3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.
- 4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.
- 5) A management letter was not issued.

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

No findings were noted.

**The Family Court of East Baton Rouge Parish –
Judicial Expense Fund
Schedule of Prior Year Findings
Year Ended December 31, 2021**

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

No findings were noted.

Part II. Management Letter

A management letter was not issued for the year ended .

Family Court of East Baton Rouge Parish - Judicial Expense Fund

Statewide Agreed-Upon Procedures Report

December 31, 2021



**Independent Accountant's Report
on Applying Statewide Agreed-upon Procedures**

To the Board of Directors of Family Court of East Baton Rouge Parish - Judicial Expense Fund and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2021 through December 31, 2021. Family Court of East Baton Rouge Parish - Judicial Expense Fund's management is responsible for those C/C areas identified in the SAUPs.

Family Court of East Baton Rouge Parish - Judicial Expense Fund has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 01, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows. The procedures are stated first, followed by the results of the procedures presented in italics.

Written Policies and Procedures

1. Obtained and inspected the entity's written policies and procedures and observed whether they addressed each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

The entity does not have written policies and procedures that address budgeting.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The entity does not have written policies and procedures that address purchasing.

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

The entity does not have written policies and procedures that address disbursements.

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

The entity does not have written policies and procedures that address receipts/collections.

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

The entity does not have written policies and procedures that address payroll/personnel.

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

The entity does not have written policies and procedures that address contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

The entity does not have any credit cards; therefore, this procedure is not applicable.

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

The entity does not have written policies and procedures that address travel and expense reimbursement.

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

The entity does not have written policies and procedures that address ethics.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity does not have any debt; therefore, this procedure is not applicable.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity does not have written policies and procedures that address information technology disaster recovery/business continuity.

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

The entity does not have written policies and procedures that address (2) annual employee training; and (3) annual reporting.

Board or Finance Committee

2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- b) For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

No exceptions were found as a result of this procedure.

- c) For governmental entities, obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were found as a result of this procedure.

Bank Reconciliations

3. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected four additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.

No exceptions were found as a result of this procedure.

- b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation.

The bank reconciliations selected do not include evidence of review by a member of management or board member who does not handle cash, post ledgers, or issue checks.

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

For two accounts there were reconciling items outstanding for more than twelve months from the statement closing date with no documentation reflecting research on the reconciling items.

Collections (excluding electronic funds transfers)

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

No exceptions were found as a result of this procedure.

5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that:

- a) Employees responsible for cash collections did not share cash drawers/registers.

No exceptions were found as a result of this procedure.

- b) Each employee responsible for collecting cash was not responsible for preparing/making bank deposits, unless another employee/official was responsible for reconciling collection documentation to the deposit.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Management asserted that employees that have access to cash were not covered by a bond or insurance policy for theft.

7. Randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtained supporting documentation for each of the deposits, and:

- a) Observed that receipts were sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

For one deposit selected, the deposit was made within two business days of receipt.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

- 9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties and observed that job duties were properly segregated such that:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who was not responsible for processing payments.

No exceptions were found as a result of this procedure.

- 10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population was complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and:

- a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.

No exceptions were found as a result of this procedure.

- b) Observed whether the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

No exceptions were found as a result of this procedure.

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

These procedures are not applicable to the entity.

- 11. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card, obtained supporting documentation, and:
 - a) Observed whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing (or electronically approved), by someone other than the authorized cardholder.
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions. For each transaction, observed it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

- 14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger was complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

 - c) Observed each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy (procedure #1h).

No exceptions were found as a result of this procedure.

- d) Observed each reimbursement is reviewed and approved, in writing, by someone other than the person receiving reimbursement.

All of the reimbursement selected lacked written evidence of review and approval by someone other than the person receiving reimbursement.

Contracts

- 15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observed whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- c) If the contract was amended, observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

No exceptions were found as a result of this procedure.

- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

Payroll and Personnel

- 16. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

- 17. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:

- a) Observed all selected employees or officials documented their daily attendance and leave.

No exceptions were found as a result of this procedure.

- b) Observed whether supervisors approved the attendance and leave of the selected employees or officials.

Attendance sheets for the selected employees did not include evidence of the supervisors' approval.

- c) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions were found as a result of this procedure.

- d) Observed the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- 18. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.

No exceptions were found as a result of this procedure.

- 19. Obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of this procedure.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained ethics documentation from management, and:

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

No exceptions were found as a result of this procedure.

- b) Observed whether the entity maintained documentation which demonstrated each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The entity does not have a written ethics policy.

Debt Service

These procedures are not applicable to the entity.

- 21. Obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.

- 22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

Fraud Notice

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

No exceptions were found as a result of this procedure.

24. Observed the entity had posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The notice required by R.S. 24:523.1 was posted on the entity's premises, but not on the entity's website.

Information Technology Disaster Recovery/Business Continuity

25. Performed the following procedures, verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."

- a) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups were stored on a physical medium, observed evidence that backups were encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers had current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed the documentation demonstrated each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions were found as a result of this procedure.

27. Observed that the entity had posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The entity does not have a written sexual harassment policy and complaint procedure process.

28. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it included the applicable requirements of R.S. 42:344:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

We were engaged by Family Court of East Baton Rouge Parish - Judicial Expense Fund to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Family Court of East Baton Rouge Parish - Judicial Expense Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

June 23, 2022



THE FAMILY COURT
EAST BATON ROUGE PARISH
BATON ROUGE, LOUISIANA 70801

PAMELA J. BAKER
CHIEF JUDGE DIVISION A

300 NORTH BOULEVARD, SUITE 4111
TELEPHONE (225) 389-4676
FAX (225) 389-4952
E-MAIL: pbaker@familycourt.org

June 28, 2022

Hawthorn, Waymouth & Carroll, L.L.P.
8545 United Plaza Boulevard, Suite 200
Baton Rouge, Louisiana 70809

RE: 2021 Audit Response

The Family Court of East Baton Parish is a very small, historically frugal, entity divided into 4 judicial divisions consisting of 19 full-time employees including 4 Judges, 4 court reporters, 4 staff attorneys, 4 civil judicial assistant (secretaries), 1 receptionist, 1 information systems technician, and 1 administrator. It operates on a limited budget provided by the City Parish of East Baton Rouge and is supplemented in small measure by filing fees, authorized by law, and fines. It is not in a financial position to add the necessary staff to address all of the issues enumerated in the audit. The court will endeavor to address the concerns addressed in the audit; however, when multiple individuals are required to accomplish an individual task, this might not be possible with the limited budgetary resources. Furthermore, it is not financially feasible nor in the best interest of the general public to add additional staff members.

Sincerely,

A handwritten signature in blue ink that reads "Pamela J. Baker".

JUDGE PAMELA BAKER
CHIEF JUDGE DIVISION A
THE FAMILY COURT