



Sara M. Downing, CPA
Linda R. Gibson, CPA
L. Cherie Odom, CPA

Walter L. Simmons, Jr., CPA
Don W. Brown, CPA
Kerry G. Uffman, CPA, PFS, CFP, CFA, RICP

Paul S. Shaffer, CPA
Teresa M. Meyer, CPA, RICP
Derek M. Mathews, CPA, CFE, CFF, CVA
P. Whitney Woodson, CPA
Ralph W. Theriot, CPA
Drew Kraus, CPA, CIA, CFE

June 30, 2022

To whom it may concern:

RE: Nineteenth Judicial District Court-Judges Expense Fund

After we submitted the June 30, 2021 audit report, the city contacted our firm with information that a material modification was being made to the OPEB calculation. A prior period adjustment was made to the OPEB liability. Attached are the revised audited statements.

If you have any questions, please let me know.

Thank you,

Linda R. Gibson, CPA

Partner

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

BATON ROUGE, LOUISIANA

JUNE 30, 2021



TABLE OF CONTENTS

Independent auditor's report	i – iii
Required supplementary information:	
Management's discussion and analysis	1 – 7
Basic financial statements:	
<u>Statements</u>	
<i>Government-wide financial statements:</i>	
1 Statement of net position	8
2 Statement of activities	9
<i>Fund financial statements:</i>	
3 Balance sheet – governmental funds	10 – 11
4 Statement of revenues, expenditures, and changes in fund balances – governmental funds	12 – 13
5 Statement of fiduciary net assets	14
Notes to basic financial statements	15 – 41
Required supplementary information:	
<u>Exhibits</u>	
1 Budgetary comparison schedule – general fund, indigent transcript fund, and drug treatment fund	42 – 43
2 Budgetary comparison schedule – commissioners' fund	44
Notes to required supplementary information on budgetary accounting and control	45 – 46
3 Other post-employment benefits plan retiree health and dental insurance programs – schedules of funding progress and employer contributions	47
4 Schedule of proportionate share of the net pension liability	48
5 Schedule of pension contributions	49
Notes to required supplementary information on pensions	50
6 Schedule of compensation, benefits, and other payments to agency heads	52
7 Judicial System Funding Schedule – Receiving Entity (cash basis)	53
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 <i>Government Auditing Standards</i>	54 – 55
Schedule of findings and responses	56



INDEPENDENT AUDITORS' REPORT

To the Honorable Judges
Nineteenth Judicial District Court
Judges Expense Fund
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nineteenth Judicial District Court-Judges Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Nineteenth Judicial Court-Judges Expense Fund, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-7, Exhibits 1 and 2, budgetary comparison schedules, Exhibit 3, schedule of funding progress and employer contributions of other post-employment benefit plans, Exhibit 4, schedule of proportionate share of the net pension liability, and Exhibit 5, schedule of pension contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nineteenth Judicial District Court-Judges Expense Fund's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head (Exhibit 6), and justice system funding schedule – receiving entity (Exhibit 7) are required by the Louisiana Revised Statute 24:513(A)(3) and Louisiana Revised Statute 24:15.2, respectively, and is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedules are the responsibility of management and were derived from and relates 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 audits 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 financial statements of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022, on our consideration of the Nineteenth Judicial District Court-Judges 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 Nineteenth Judicial District Court-Judges 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 Nineteenth Judicial District Court-Judges Expense Fund's internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors

Baton Rouge, Louisiana

May 23, 2022, except for Note I-Other Post Employment Benefits and Note O-Prior Period Adjustment,
as to which the date of June 17, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Nineteenth Judicial District Court – Judicial Expense Fund (the JEF) provides an overview of the JEF's activities for the year ended June 30, 2021. Please read it in conjunction with the JEF's financial statements that begin on page 8.

FINANCIAL HIGHLIGHTS

- The JEF experienced an increase in total net position deficit of approximately \$6,000,000, or approximately a 20% deficit increase from the prior year's restated net position deficit.
- During the year, revenues exceeded expenses generated for governmental programs by approximately \$6,130,000. Last year expenses exceeded revenues by approximately \$3,375,000.
- Total cost of all the JEF's programs for the current year decreased by approximately \$11,200,000 and total revenues decreased by approximately \$1,450,000.
- The general fund reported an excess of revenue over expenditures this year of approximately \$228,000. This is an increase from last year's deficit which was approximately \$14,000.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 8 - 9) provide information about the activities of the JEF as a whole and present a longer-term view of the JEF's finances. Fund financial statements (on pages 10 – 14) tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the JEF's operations in more detail than the government-wide statements by providing information about both of the JEF governmental funds.

Reporting the JEF as a Whole

Our analysis of the JEF as a whole begins on page 8. We believe the key question regarding JEF finances to be, "Is the JEF as a whole better or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the JEF as a whole, and about its activities, in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the JEF's net position and changes in them. You can think of the JEF's net position—the difference between assets and liabilities—as one way to measure the JEF's financial health, or financial position. Over time, increases or decreases in the JEF's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as number of cases handled by District Court as well as the number of judgeships approved by the State Legislature and the State's economic condition to better assess the overall health of the JEF.

Currently, the JEF has only governmental activities that provide for personnel, equipment, supplies and other costs related to the proper administration of District Court. Primarily, court costs and fines finance these activities.

Reporting the JEF's Funds

Our analysis of the JEF's funds begins on page 10. The fund financial statements provide detailed information about the JEF's funds, not the JEF as a whole. In addition to accounting for the fees for court costs, fines; appropriations from East Baton Rouge City – Parish, East Baton Rouge Clerk of Court and the Louisiana Supreme Court; and other revenues that finance activities of the District Court, the JEF also accounts for the appropriation received from the Louisiana Supreme Court to administer the Commissioners' offices. Fees collected for the preparation of transcripts for indigent defenders are maintained in a separate special revenue fund in accordance with LA R. S. 13:965. The General Fund, the Commissioners' Fund, and the Indigent Transcript Fund are governmental funds that focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the JEF's operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance the JEF's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

THE JEF AS A WHOLE

The JEF's net position deficit increased by approximately \$6,000,000 from \$33,500,000 to \$27,475,000 primarily due to the JEF's operating expenses including provisions for pension cost and other post-retirement benefits in addition to the collection of fines, fees and intergovernmental revenues.

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the JEF's governmental activities.

**Table 1
Net Position**

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Current and other assets	\$ 2,312,362	\$ 2,577,654	\$ (265,292)	(10) %
Capital assets	46,812	51,726	(4,914)	(10)
Total assets	<u>2,359,174</u>	<u>2,629,380</u>	<u>(270,206)</u>	(10)
Deferred Outflows of Resources	<u>4,340,496</u>	<u>2,819,259</u>	<u>1,521,237</u>	54
Current liabilities	526,366	973,909	(447,543)	(46)
Long term liabilities	<u>28,906,520</u>	<u>35,434,381</u>	<u>(6,527,861)</u>	(18)
Total liabilities	<u>29,432,886</u>	<u>36,408,290</u>	<u>(6,975,404)</u>	(19)
Deferred Inflows of Resources	<u>4,740,193</u>	<u>2,550,038</u>	<u>2,190,155</u>	
Net position:				
Invested in capital assets	46,812	51,726	(4,914)	(10)
Restricted by external legal constraint:	626,556	606,526	20,030	3
Unrestricted deficit	<u>(28,146,777)</u>	<u>(34,167,941)</u>	<u>6,021,164</u>	(18)
Total net position deficit	<u>\$ (27,473,409)</u>	<u>\$ (33,509,689)</u>	<u>\$ 6,036,280</u>	(18) %

Unrestricted net position deficit is the part of net assets that can be used to finance day-to-day operations without constraints established by other legal restrictions. Unrestricted net position at year end reflects a deficit of approximately \$27,475,000 due to the adoption of GASB Statement Numbers 68, 71 and 75, which represents an increase from the prior year by approximately \$6,000,000.

The JEF's total revenues decreased by approximately 18% or \$1,684,000 from the prior year, and the total cost of all programs and services decreased by approximately 90% or \$11,187,000, which is mostly due to the year-end net pension and OPEB adjustment.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is provided. Of particular interest is its format that is significantly different than that of the typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net revenue or expense. The reason for this kind of format is to highlight the relative financial burden of each of the governmental functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Fees in the form of court costs and fines represent the majority of the revenues reported for the District Court's function.

Table 2
Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Revenues				
Fees and fines	\$ 1,659,373	\$ 1,932,974	\$ (273,601)	(14) %
Intergovernmental	5,335,700	6,749,597	(1,413,897)	(21)
Charges for services	208,140	144,040	64,100	45
Non-Employer Pension Contributions	203,649	221,929	(18,280)	(8)
Interest	3,880	22,571	(18,691)	(83)
Other	<u>17,083</u>	<u>40,850</u>	<u>(23,767)</u>	(58)
Total revenues	<u>7,427,825</u>	<u>9,111,961</u>	<u>(1,684,136)</u>	(18)
Program expenses				
District Court	879,697	11,969,462	(11,089,765)	(93)
Commissioners'	<u>419,207</u>	<u>517,021</u>	<u>(97,814)</u>	(19)
Total expenses	<u>1,298,904</u>	<u>12,486,483</u>	<u>(11,187,579)</u>	(90)
Increase (Decrease) in net position deficit	<u>\$ 6,128,921</u>	<u>\$ (3,374,522)</u>	<u>\$ 9,503,443</u>	(282) %

THE JEF'S FUNDS

As the JEF completed the year, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of approximately \$1,760,000, which is \$248,000 more than last year's total of \$1,511,000.

The following schedule presents a summary of general fund revenues and expenditures for the fiscal year ended June 30, 2021, and the amount and percentage of increases and decreases in relation to the prior year.

Table 3
General Fund Revenues and Expenditures

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>
Revenues				
Fees and fines	1,786,172	26 %	\$1,834,312	22 %
Intergovernmental	4,934,993	71	6,348,890	76
Charges for services	181,254	3	144,040	2
Interest	3,880	-	22,571	-
Other	17,083	-	40,850	-
Total revenues	<u>6,923,382</u>	<u>100</u>	<u>8,390,663</u>	<u>100</u>
Expenditures				
District Court	6,718,973	100	8,535,660	100
Capital outlay	15,414	-	13,068	-
Total expenditures	<u>6,734,387</u>	<u>100</u>	<u>8,548,728</u>	<u>100</u>
Excess (deficiency) of revenues over expenditures before transfers	188,995		(158,065)	
Transfers	38,981		144,542	
Excess (deficiency) of revenues over expenditures after transfers	<u>\$ 227,976</u>	<u>100 %</u>	<u>\$ (13,523)</u>	<u>100 %</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Each year the Court projects budgeted revenues based on the prior year collections. The major revenue variances for the year ending June 30, 2021 were as follows: Due to the Covid-19 mandated closure, the fees and fines decreased by \$50,000 and revenue from intergovernmental charges decreased \$1,400,000.

Capital equipment purchases increased by approximately \$15,000 in 2021 compared to \$13,000 in 2020.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2021, the JEF had \$345,000 invested in capital assets including computer equipment and office renovations. (See Table 4 below.) This represents a net increase of \$15,000 from last year. Capital additions totaled approximately \$13,000 for the fiscal period.

Table 4
Capital Assets at Year-end

	<u>2021</u>	<u>2020</u>
Computer equipment, including software	\$ 205,548	\$ 200,654
Other office equipment	97,198	97,198
Furniture and fixtures	38,503	27,983
Office renovations	<u>3,964</u>	<u>3,964</u>
Totals	<u>\$ 345,213</u>	<u>\$ 329,799</u>

Debt

At year-end, the JEF had approximately \$13,650,000 in net other post retirement benefit obligations, which represents future liabilities for employees to continue to participate in the health, dental and life insurance programs upon and during retirement. This represents a \$7,630,000 decrease from the prior year. The JEF also had an estimated \$583,000 for accrued compensated absences that represents the future liability for vacation earned but not used by District Court employees. This is an increase of five percent from last year. In addition, the JEF has a net pension liability of approximately \$14,721,000 which represents an eight percent increase from last year. (See Table 5 below)

Table 5
Outstanding Debt at Year-end

	<u>2021</u>	<u>2020</u>
Net other post retirement obligations	\$ 13,645,853	\$ 21,275,753
Accrued compensated absences	583,039	551,320
Net Pension Liability	<u>14,721,486</u>	<u>13,646,236</u>
	<u>\$ 28,950,378</u>	<u>\$ 35,473,309</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City-Parish of East Baton Rouge funds most of the District Court operations. The annual budget adopted by the City-Parish for 2021 was the same as the previous year, as was funding from the Louisiana Supreme Court. This budget includes funding for salaries, retirement contributions, medical, dental, post employment benefits and some basic office expenses. The 2022 salary and benefit expenditure should stay relatively the same as in 2021. Rising prices and labor shortages may make it harder to acquire personnel and materials.

CONTACTING THE FUND'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the JEF's finances and to show the JEF's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kim Ford, Director of Finance at the Judicial Administrator's Office at 300 North Blvd., Suite 3606, Baton Rouge, Louisiana.

BASIC FINANCIAL STATEMENTS

**NINETEENTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
STATEMENT OF NET POSITION**

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash, including time deposits	2,101,397
Accounts receivable (net)	41,732
Receivable from other governments	<u>169,233</u>
Total current assets	2,312,362
Noncurrent assets:	
Capital assets, net of depreciation	<u>46,812</u>
Total assets	<u>2,359,174</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Net pension liability	2,936,793
Other post employment benefit obligations	<u>1,403,703</u>
Total deferred outflows of resources	<u>\$ 4,340,496</u>
 LIABILITIES	
Current liabilities	
Accounts payable	19,921
Payroll withholdings & payable	462,587
Accrued compensated absences	<u>43,858</u>
Total current liabilities	526,366
Noncurrent liabilities:	
Accrued compensated absences	539,181
Other post employment benefit obligation	13,645,853
Net Pension Liability	<u>14,721,486</u>
Total liabilities	<u>29,432,886</u>
 DEFERRED INFLOWS OF RESOURCES	
Net pension liability	2,415,500
Other post employment benefit obligations	<u>2,324,693</u>
Total deferred inflows of resources	<u>\$ 4,740,193</u>
 NET POSITION	
Net investment in capital assets	46,812
Restricted by external legal constraints	626,556
Unrestricted	<u>(28,146,777)</u>
Total net position deficit	<u><u>\$ (27,473,409)</u></u>

See accompanying notes to the basic financial statements.

**NINETEENTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
STATEMENT OF ACTIVITIES**
Year ended June 30, 2021

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Revenue (Expense)</u>
Governmental activities:					
District Court	\$ 972,338	\$ 2,071,162	\$ 4,934,993	\$ -	\$ 6,033,817
Commissioners'	419,207	-	400,707	-	(18,500)
Total governmental activities	1,391,545	\$ 2,071,162	\$ 5,335,700	\$ -	6,015,317
General revenues:					
Interest					3,880
Other					17,083
Total general revenues					20,963
Change in net position					6,036,280
Net position deficit - beginning of year					(30,491,514)
Prior Period Adjustment, See Note O					(3,018,175)
Net position deficit - beginning of year, as restated					(33,509,689)
Net position deficit - end of year					<u>\$(27,473,409)</u>

See accompanying notes to the basic financial statements.

NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Commissioners' Fund	Other Funds	Total Governmental Funds
ASSETS				
Cash, including time deposits	\$ 2,036,988	\$ 64,409	\$ -	\$ 2,101,397
Accounts receivable (net)	14,846	-	-	14,846
Receivable from other governments	169,233	-	-	169,233
Due from other funds	93,467	4,143	683,693	781,303
Total assets and other debits	<u>2,314,534</u>	<u>68,552</u>	<u>683,693</u>	<u>3,066,779</u>
LIABILITIES				
Accounts payable	15,199	4,722	-	19,921
Payroll Withholdings & payable	439,230	23,357	-	462,587
Due to other funds	683,693	93,467	4,143	781,303
Accrued compensated absences	43,858	-	-	43,858
Total liabilities	<u>1,181,980</u>	<u>121,546</u>	<u>4,143</u>	<u>1,307,669</u>
FUND BALANCES				
Restricted:				
Special Revenue Funds	-	(52,994)	679,550	626,556
Unassigned	1,132,554	-	-	1,132,554
Total fund balances	<u>1,132,554</u>	<u>(52,994)</u>	<u>679,550</u>	<u>1,759,110</u>
Total liabilities and fund balances	<u>\$ 2,314,534</u>	<u>\$ 68,552</u>	<u>\$ 683,693</u>	<u>\$ 3,066,779</u>

See accompanying notes to the basic financial statements.

NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2021

Total governmental fund balances		\$ 1,759,110
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		46,812
Receivables that are not available to pay current period expenditures and therefore are not reported in the funds.		26,886
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		
Accrued compensated absences	(539,181)	
Deferred outflow of resources - related other post retirement benefits	1,403,703	
Other post retirement benefits	(13,645,853)	
Deferred inflow of resources - related other post retirement benefits	(2,324,693)	<u>(15,106,024)</u>
Net pension obligation balances in accordance with GASB 68		
Deferred outflow of resources - deferred pension contributions	\$ 2,936,793	
Net pension liability	(14,721,486)	
Deferred inflow of resources - related to net pension liability	(2,415,500)	<u>(14,200,193)</u>
Net position of governmental activities		<u>\$ (27,473,409)</u>

See accompanying notes to the basic financial statements.

NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year ended June 30, 2021

	General Fund	Commissioners' Fund	Other Funds	Total Governmental Funds
REVENUES				
Fees and fines	\$ 1,786,172	\$ -	\$ 76,850	\$ 1,863,022
Intergovernmental	4,934,993	400,707	-	5,335,700
Charges for services	181,254	-	-	181,254
Interest	3,880	-	-	3,880
Other	17,083	-	-	17,083
Total revenues	<u>6,923,382</u>	<u>400,707</u>	<u>76,850</u>	<u>7,400,939</u>
EXPENDITURES				
Current operations:				
District Court	6,718,973	-	-	6,718,973
Commissioners'	-	418,546	-	418,546
Capital expenditures	15,414	-	-	15,414
Total expenditures	<u>6,734,387</u>	<u>418,546</u>	<u>-</u>	<u>7,152,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>188,995</u>	<u>(17,839)</u>	<u>76,850</u>	<u>248,006</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	38,981	-	-	38,981
Operating transfers out	-	-	(38,981)	(38,981)
	<u>38,981</u>	<u>-</u>	<u>(38,981)</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EX- PENDITURES AND OTHER USES	<u>227,976</u>	<u>(17,839)</u>	<u>37,869</u>	<u>248,006</u>
Fund balances - beginning of year	<u>904,578</u>	<u>(35,155)</u>	<u>641,681</u>	<u>1,511,104</u>
Fund balances - end of year	<u>\$ 1,132,554</u>	<u>\$ (52,994)</u>	<u>\$ 679,550</u>	<u>\$ 1,759,110</u>

See accompanying notes to the basic financial statements.

NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2021

Net change in fund balances - total governmental funds		\$ 248,006
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(4,914)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		26,886
Expenses reported in the statement of activities in the current period and reported as expenditures of governmental funds in the previous period.		(92,641)
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 governmental funds.		
Compensated absences	\$ (26,789)	
Net post employment benefit obligation	7,629,900	<u>7,603,111</u>
Change in net position liability and deferred inflows and outflows in accordance with GASB 68		<u>(1,744,168)</u>
Change in net assets of governmental activities		<u>\$ 6,036,280</u>

See accompanying notes to the basic financial statements.

**NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
STATEMENT OF FIDUCIARY NET ASSETS**

June 30, 2021

	Agency Fund
ASSETS	
Due from other governments	9,865
Total assets and other debits	<u>\$ 9,865</u>
LIABILITIES	
Due to other governments	9,865
Total liabilities	<u>\$ 9,865</u>

See accompanying notes to the basic financial statements.

NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Nineteenth Judicial District Court Judicial Expense Fund (Judicial Expense Fund) (JEF) was created to account for the operations of the Nineteenth Judicial District Court.

Financial reporting entity

The Nineteenth Judicial District Court Expense Fund was established by a legislative act effective June 30, 1969. The act provides for the collection of fees in the form of court costs and fines, and provides for court reporters and such secretarial, clerical, research, administrative or other personnel as are deemed necessary to expedite the business and functions of the court. The Fund may also be used to pay for establishing and maintaining a law library, equipment, supplies and any other costs or expenses related to the proper administration of the court, except for the payment of judges' salaries.

The offices of Commissioner of the Nineteenth Judicial District Court were created by legislative act that provides for the appointment of two commissioners whose duties are assigned by the Chief Judge. These duties include hearing and making recommendations on criminal and civil proceedings arising out of the incarceration of state prisoners. The State of Louisiana appropriates funds for equipment, supplies, and the salaries and related benefits for employees of the Commissioners.

As the governing authority of the consolidated government, the City of Baton Rouge, Parish of East Baton Rouge (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 units' 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 directly to the court office space, courtrooms, personal services, and other supplies and services. The nature of the relationship between the Judicial Expense Fund and the district court and the City-Parish is significant. Therefore, the Judicial Expense Fund was determined to be a component unit of the City of Baton Rouge, Parish of East Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the Judicial Expense Fund maintained by the Nineteenth Judicial District Court and do not present any other information on the District Court, or the City-Parish, the general government services provided by that governmental unit, or on the other governmental units that comprise the financial reporting entity.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation

The Judicial Expense Fund's basic financial statements consist of the government-wide statements of the primary government and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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, except for the fiduciary fund described below. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

The Judicial Expense Fund uses the governmental fund type. 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 funds of the Judicial Expense Fund are described as follows:

General fund - The general fund is the general operating fund and accounts for all activities of the Judicial Expense Fund except those required to be accounted for in another fund.

Special revenue funds - Special revenue funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary fund (agency fund) – The agency fund accounts for assets held by the Judicial Expense Fund in a purely trustee or custodial capacity. Therefore, the assets are not available to support the Judicial Expense Fund's activities.

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.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, changes in net assets, 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 balance sheet. 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. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; both measurable and available. Measurable means the amount of the transaction can be determined, and available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Financial statement amounts

Cash, including time deposits – Cash, including time deposits includes all demand deposits, savings accounts, money market accounts and certificates of deposit of the Judicial Expense Fund.

Interfund receivables and payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Interfund receivables and payables are eliminated in the Statement of Net Position. Details of interfund receivables and payables at year end are found in Note J.

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. Major receivable balances for governmental activities include amounts due from the Clerk of Court and attorneys for transcript charges.

Receivables are included in the fund financial statements if they are both measurable and available. Revenues are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation on all assets is computed on the straight-line basis over the following estimated useful lives:

Computer equipment, including software	5 – 10 years
Other office equipment	5 – 10 years
Furniture and fixtures	10 – 20 years
Office renovations	10 – 20 years

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

Deferred Outflows of Resources

The Judicial Expense Fund reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government wide statement of net position. Deferred outflows of resources reported in this year's financial statements include a deferred outflow of resources for contributions made to the City's defined benefit pension and OPEB plans between the measurement date of the net pension liabilities from those plans and the end of the fiscal year. Deferred outflows for pension and OPEB contributions will be recognized in subsequent fiscal years. No deferred outflow of resources affect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

The Judicial Expense Fund's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to future periods. Deferred inflows of resources are reported in the statement of net position for actual pension or OPEB plan investment earnings in excess of the expected amounts included in determining pension expense.

Revenues

Substantially all government 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 appropriations and grant contracts, interest and dividend revenue, transcript charges to attorneys, and drug enforcement forfeitures collected by the District Attorney and paid annually or upon request. As a grant recipient, grant receivables and revenue are recognized when the applicable eligibility requirements, including time requirements, are met. Resources received before the eligibility requirements are met are reported as deferred revenue.

Expenditures

Expenditures are recognized when the related fund liability is incurred.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

The annual and sick leave plan adopted by the JEF allows a maximum accumulation of 60 days of vacation leave. Certain employees hired before the current annual and sick leave plan was adopted can accumulate more than the 60-day maximum allowed under the current plan. Upon termination, employees are paid for the unused vacation leave. Sick leave is allowed to accrue and accumulate, however, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations.

Certain employees of District Court may accrue up to 34.25 days of compensatory time in lieu of overtime payment. The Judicial Expense Fund pays compensatory leave up to the maximum accrual amounts upon termination, resignation, retirement or death. 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 at termination or retirement. The Judicial Expense Fund records a liability for 100% of the accrued vacation and compensatory time for each employee up to the respective maximums at the employees' current rate of pay. Additionally, applicable social security and Medicare costs are added to the accrued leave as computed above.

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 or retirement. Since the amount of accumulated sick leave lapses upon termination, no amount has been accrued.

The amounts shown in the accompanying financial statements for accrued compensated absences represent the liability for all employees of the District Court except the judges and the commissioners.

The non-current portion (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.

Deferred compensation

Certain employees of the Nineteenth Judicial District Court participate in the Court's Deferred Compensation Plan or the State of Louisiana Deferred Compensation Plan. These plans were adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plans are included in the separately issued audit reports for the Plans. The Nineteenth Judicial District Court Plan audit report is available from the plan's administrator,

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nationwide Retirement Solutions, and the State of Louisiana Deferred Compensation Plan is available from the State of Louisiana.

Interfund transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. All transfers between individual governmental funds have been eliminated on the statement of activities.

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.

Government-wide Net Position

Government-wide net positions are divided into three components:

- Net investment in capital assets—consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position – consists of assets that are restricted by the JEF’s creditors, grantors or any other contributions.
- Unrestricted – all other net position is reported in this category.

Fund Balances

Fund balances of the governmental funds are classified as follows:

Restricted – amounts that can be spent only for specific purposes under enabling legislation.

Unassigned – all other spendable amounts.

When both restricted and unrestricted resources are available for use, it is the Court’s policy to use restricted resources first, then unrestricted resources as they are needed.

Pension Plans

The JEF is a participating employer in three defined benefit pension plans (plans) as described in Note H. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans’ fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits

For purposes of measuring the net OPEB liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the OPEB plan, as described in Note I, and additions to/deductions from the OPEB plans fiduciary net position have been determined on the same basis as they have been reported by the OPEB plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*.

B: CASH AND INVESTMENTS

Cash includes amounts in demand deposits and time deposits. Under state law, the Judicial Expense Fund may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

At June 30, 2021, the Judicial Expense Fund had cash (book balances) as follows:

Interest bearing demand deposits	\$	748,022
Non-interest bearing demand deposits		<u>1,353,375</u>
	\$	<u>\$2,101,397</u>

These deposits are stated at cost, which approximates fair market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are considered collateralized (Category 2) under the provisions of GASB Statement 3, which imposes a requirement that the 19th JDC has a right to demand delivery of all eligible collateral from the custodian immediately for public or private sale. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Judicial Expense Fund that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk is the risk that in the event of a bank failure, the Judicial Expense Fund's deposits may not be returned to it. The Judicial Expense Fund does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$1,910,962 of the Judicial Expense Fund's bank balance of \$2,106,962 was exposed to custodial credit risk as follows:

Uninsured collateral held by third party custodian not in 19th JDC name	<u>\$1,910,962</u>
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C: ACCOUNTS RECEIVABLE

Accounts receivable of the governmental activities consists mostly of amounts due from the Clerk of Court and attorneys for transcript charges. Detail of the receivables at June 30, 2021 is as follows:

Transcripts	\$ 42,288
Less allowance for doubtful accounts	<u>(14,490)</u>
	27,798
Other receivables	<u>13,934</u>
Accounts receivable (net)	<u>\$ 41,732</u>

The allowance for doubtful accounts was established based on historical trends and other information. At June 30, 2021, \$14,490 of the transcripts receivable were past due ninety days or more.

D: INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables due at June 30, 2021 are as follows:

General Fund	
East Baton Rouge Parish Sheriff	\$ 116,353
East Baton Rouge Parish Clerk of Court	(2,739)
Louisiana Supreme Court	34,874
LA Department of Public Safety	2,151
Due from Building Commission	<u>18,594</u>
	<u>\$ 169,233</u>
Indigent Transcript Fund	
East Baton Rouge Parish Sheriff	<u>-</u>

E: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Computer equipment, including software	\$ 200,654	\$ 4,894	\$ -	\$ 205,548
Other office equipment	97,198	-	-	97,198
Furniture and fixtures	27,983	10,520	-	38,503
Office renovations	3,964	-	-	3,964
Totals at historical cost	<u>329,799</u>	<u>15,414</u>	<u>-</u>	<u>345,213</u>
Less accumulated depreciation				
Computer equipment, including software	164,158	15,767	-	179,925
Other office equipment	84,479	2,858	-	87,337
Furniture and fixtures	26,481	991	-	27,472
Office renovations	3,271	396	-	3,667
Totals at historical cost	<u>278,389</u>	<u>20,012</u>	<u>-</u>	<u>298,401</u>
Capital assets, net	<u>\$ 51,410</u>	<u>\$ (4,598)</u>	<u>\$ -</u>	<u>\$ 46,812</u>

Depreciation expense was charged to governmental activities as follows:

District Court	\$ 19,351
Commissioners'	<u>661</u>
	<u>\$ 20,012</u>

F: LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Amounts Due within One Year
Accrued Compensated Absences	\$ 551,320	\$ 31,719		\$ 583,039	\$ 26,789
Other post employment benefit obligation	21,275,753	1,929,366	9,559,266	13,645,853	
Net pension liability	13,646,236	4,813,818	3,738,568	14,721,486	
Total Governmental Activities:	<u>\$ 35,473,309</u>	<u>\$ 6,774,903</u>	<u>\$ 13,297,834</u>	<u>\$ 28,950,378</u>	<u>\$ 26,789</u>

G: SALARY EXPENDITURES

The Judicial Expense Fund administers the payroll for all District Court employees excluding the judges and the commissioners. The Parish of East Baton Rouge reimburses the fund for those salaries disbursed by the fund but appropriated in the City-Parish budget.

H: PENSION PLANS

The JEF is a participating employer in three cost-sharing, multiple-employer defined benefit pension plans administered by three public employee retirement systems, the Louisiana Clerks' of Court Retirement and Relief Fund (COC), the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

COC:
10202 Jefferson Highway
Building A
Baton Rouge, Louisiana 70809
(225) 293-1162
www.laclerksofcourt.org

LSERS:
8660 United Plaza Blvd.
Baton Rouge, LA 70804
(225) 925-6484
www.lasers.net

LASERS
8401 United Plaza Blvd.
P. O. Box 44213
Baton Rouge, Louisiana 70804-4213
(225) 925-0185
www.lasersonline.org

Effective July 1, 2014, the JEF implemented the provisions of Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the JEF to record its proportional share of each of the pension plans' Net Pension Liability and report the following disclosures:

Plan Descriptions:

Louisiana Clerks' of Court Retirement and Relief Fund (COC)

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Retirement and Relief Fund, the Louisiana Clerks of Court Insurance Fund are required to become members of the system during service as such.

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3⅓%

H: PENSION PLANS (Continued)

of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement.

Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retire on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1001. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141-1153.

Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and age 55, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and age 60. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and age 60 or 20 years of service regardless of age with an actuarially reduced benefit.

For members employed prior to July 1, 2006, the maximum retirement benefit is equal to $3\frac{1}{3}\%$ of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to $2\frac{1}{2}\%$ of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service.

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted.

Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and

H: PENSION PLANS (Continued)

creditable service remains as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains sub accounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2½% of average compensation multiplied by years of creditable service, but not less than 33⅓% of average compensation for members employed prior to July 1, 2006 and 3% of average compensation multiplied by years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

Louisiana State Employees' Retirement System (LASERS)

The Louisiana State Employees' Retirement System (LASERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LRS 11:401-414. The age and years of creditable service required for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The computation of retirement benefits is provided for in LRS 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of creditable service.

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins.

H: PENSION PLANS (Continued)

During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors. Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Eligibility requirements and benefit computations for disability benefits are provided for in LRS 11:461. All members with ten or more years of creditable service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor's benefits are provided for in LRS 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

Funding Policy

Under Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974, the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll.

H: PENSION PLANS (Continued)

The contribution rates in effect for the year ended June 30, 2021, for the JEF and covered employees were as follows:

	JEF	Employees
Louisiana Clerks' of Court Retirement and Relief Fund (COC)	19.00%	8.25%
School Employees' Retirement System (LSERS)	29.4%	7.50%- 8.00%
State Employees' Retirement System (LASERS)	40.7%	7.50% - 8.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	2021	2020	2019
Louisiana Clerks' of Court Retirement and Relief Fund (COC)	330,704	333,504	371,455
School Employees' Retirement System (LSERS)	14,240	12,513	11,743
State Employees' Retirement System (LASERS)	774,475	1,261,059	1,145,093

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

The following schedule lists the JEF's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2020 measurement date. The JEF uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2021 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate. The JEF's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2020	Rate at June 30, 2020	Increase (Decrease) on June 30, 2019 Rate
Louisiana Clerks' of Court Retirement and Relief Fund (COC)	\$ 4,233,370	1.7596%	-0.2587%
School Employees' Retirement System (LSERS)	112,894	0.0141%	0.0004%
State Employees' Retirement System (LASERS)	10,375,222	0.1255%	-0.0109%
	<u>\$ 14,721,486</u>		

H: PENSION PLANS (Continued)

The following schedule list each pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the JEF for the year ended June 30, 2021:

	Pension Expense	Amortization	Total
Louisiana Clerks' of Court Retirement and Relief Fund (COC)	\$ 524,160	\$ 26,372	\$ 550,532
School Employees' Retirement System (LSERS)	16,063	1,108	17,171
State Employees' Retirement System (LASERS)	1,336,802	232,336	1,569,138
	<u>\$ 1,877,025</u>	<u>\$ 259,816</u>	<u>\$ 2,136,841</u>

At June 30, 2021, the JEF reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Total of three systems

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,894	\$ (99,640)
Changes of assumptions	408,661	-
Net difference between projected and actual earnings on pension plan investments	2,423,977	(753,514)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	37,021	(1,562,346)
Employer contributions subsequent to the measurement date	14,240	-
Total	<u>\$ 2,936,793</u>	<u>\$ (2,415,500)</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Louisiana Clerks' of Court Retirement and Relief Fund (COC)	\$ 1,335,676	\$ (753,514)
School Employees' Retirement System	51,261	(9,669)
State Employees' Retirement System	1,549,856	(1,652,317)
	<u>\$ 2,936,793</u>	<u>\$ (2,415,500)</u>

The JEF reported a total of \$2,936,793 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2021. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

H: PENSION PLANS (Continued)

	Subsequent Contributions
Louisiana Clerks' of Court Retirement and Relief Fund (COC)	\$ 330,704
School Employees' Retirement System	14,240
State Employees' Retirement System	774,475
	<u>\$ 1,119,419</u>

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

Year	COC	LSERS	LASERS	Total
2021	26,372	1,108	232,336	259,816
2022	193,444	6,143	483,879	683,466
2023	177,346	5,219	468,686	651,251
2024	163,237	3,931	350,989	518,157
	<u>\$ 560,399</u>	<u>\$ 16,401</u>	<u>\$ 1,535,890</u>	<u>\$ 2,112,690</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2020 are as follows:

Clerks' of Court (COC)

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	6.75%, net of investment expenses
Inflation Rate	2.50% per annum
Mortality	Mortality rates based on Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Tale with full generational projection using the appropriate MP-2019 improvement scale.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2014) experience study of the Systems' members.

H: PENSION PLANS (Continued)

Salary Increases 6.2% 1-5 years of service
5% after 5 years

Cost-of-Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantially automatic.

LSERS

Valuation Date June 30, 2020

Actuarial Cost Method Entry Age Normal

Actuarial Assumptions:

Expected Remaining Service Lives 3 years

Investment Rate of Return 7.0%, per annum

Inflation Rate 2.5%, per annum

Mortality Mortality rates based on the RP-2014 Healthy Annuitant Table, RP-2014 Sex Distinct Mortality Table, RP-2014 Sex Distinct Employee Table.

Termination, Disability, and Retirement Termination, disability, and retirement assumptions were projected based on a five-year (2012-2017) experience study of the Systems' members.

Salary Increases 3.25% based on experience study of 2012-2017 of System members

Cost-of-Living Adjustments Cost of living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outlined in ACT 399 of 2014.

H: PENSION PLANS (Continued)

LASERS

Valuation Date June 30, 2020

Actuarial Cost Method Entry Age Normal

Actuarial Assumptions:

Expected Remaining Service Lives 2 years

Investment Rate of Return 7.55% per annum, net of investment expenses

Inflation Rate 2.3%, per annum

Mortality *Non-disabled members* – The RP-2014 Blue Collar (males/females) and White Collar (females) Health Annuitant Tables projected on a fully generational basis by Mortality Improvements Scale MP-2018.
Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System’s members.

Salary Increases Salary increases were projected based on the 2014-2018 experience study of the System’s members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.00%	12.80%
Judges	2.60%	5.10%
Corrections	3.60%	13.80%
Hazardous Duty	3.60%	13.80%
Wildlife	3.60%	13.80%

Cost-of-Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

H: PENSION PLANS (Continued)

The following schedule list the methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

Clerks' of Court	LSERS	LASERS
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.18% for the year ended June 30, 2020.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.38% for the year ended June 30, 2020.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation rate of 2.3% and an adjustment for the effect of rebalancing/diversification. The long term expected rate of return was 8.25% for the year ended June 30, 2020.</p>

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2021:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	COC	LSERS	LASERS	COC	LSERS	LASERS
Cash	-	-	-	-	-	-0.59%
Fixed Income	20.0%	26.0%	16.0%	6.00%	0.92%	5.74%
Equity	55.0%	39.0%	55.0%	16.00%	2.82%	10.62%
Alternatives	10.0%	23.0%	29.0%	6.59%	1.95%	6.69%
Real Assets	15.0%	12.0%	0.0%	4.50%	0.69%	4.20%
Total	100.0%	100.0%	100.0%			

H: PENSION PLANS (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for COC, LSERS and LASERS was 6.75%, 7.0% and 7.55%, respectively for the year ended June 30, 2021.

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

The following table presents the JEF's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the JEF's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Clerks' of Court			
Rates	5.750%	6.750%	7.750%
Court's Share of NPL	\$ 5,907,606	\$ 4,233,370	\$ 2,822,197
LSERS			
Rates	6.000%	7.000%	8.000%
Court's Share of NPL	\$ 147,874	\$ 112,894	\$ 82,976
LASERS			
Rates	6.550%	7.550%	8.550%
Court's Share of NPL	\$ 12,749,534	\$ 10,375,222	\$ 8,360,357

Payables to the Pension Plan

The JEF recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2021 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30, 2021 and 2020 is as follows:

	June 30, 2021	June 30, 2020
Clerks	\$ 7,617	\$ 12,583
LSERS	242	475
LASERS	19,984	47,469
	<u>\$ 27,844</u>	<u>\$ 60,527</u>

I: OTHER POST EMPLOYMENT BENEFITS

The JEF is a component unit of the City-Parish and its employees participate in the City-Parish health benefits program. The City-Parish's other post-employment benefits plan (OPEB) 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. For purposes of measuring the net OPEB liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position and additions to/deductions from the OPEB plans fiduciary net position have been determined on the same basis as they have been reported by the OPEB plans.

Retirees may continue their coverage under the City-Parish's health plans 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 totally vested employee may continue his coverage paying the same premiums and receiving the same benefits as active employees.

If the participant meets the criteria for retirement, 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 City-Parish and participating City-Parish employers are established in the annual City-Parish operating budget and may be amended in subsequent years. During 2018, the dental plan was funded with employees and retirees contributing 48% of the dental premium and the City-Parish contributing 52% of the dental premiums. The government's health plan is a self-insured program with a third-party administrator. During 2018, employees and retirees contributed 8% - 38% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 62% - 92% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB plan.

Funding status and funding progress

As of December 31, 2020, the most recent actuarial valuation date, the plan was zero percent funded. The JEF's allocated portion of the actuarial accrued liability for benefits was approximately \$13,645,853 with no valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events

I: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Funding progress for the most recent valuation date is as follows:

Actuarial Valuation Date	December 31, 2020
Actuarial Accrued Liability (AAL)	\$ 13,645,853
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>13,645,853</u>
Funded Ratio (Actuarial Value of Assets/AAL)	0%
Covered Payroll (active plan members)	\$ 1,728,541
UAAL as a percentage of covered payroll	789%

Total Collective OPEB Liability

At June 30, 2021, the JEF reported a liability of \$13,645,853 for its proportionate share of the total collective OPEB liability. The JEF's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the City-Parish reporting entity. At June 30, 2021 the JEF's proportion was 1.01%.

The total collective OPEB liability in the December 31, 2020, actuarial valuation was measured at June 30, 2021, and was determined using the following actuarial methods, assumption and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Cost Method- Entry Age Normal
- Inflation Rate- 2.5%
- Salary Increase Rate- 3.27% to 18.39%
- Discount Rate- 2.12%
- Mortality rates-
 - MPERS: PubS-2010(B) base tables multiplied by 115% (105% for Disabled Retirees) for males and 125% (115% for Disabled Retirees) for females, projected beyond 2010 using the Scale MP-2019 mortality improvement rates
 - CPERS: RP2006 Blue Collar base tables projected back to 2001 using the Scale MP-2018 mortality improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates
- Healthcare costs trend rate- 6.00% for FY 22 to FY27 decreasing 0.50% per year to an ultimate rate of 4.50% for FY30 and later years for Medical; 0.00% for FY22 and FY23 increasing to 4.50% for FY24 and later years for Dental

I: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense, Changes in Total Collective OPEB Liability, Deferred Inflows of Resources and Deferred Outflows of Resources

Balance at June 30, 2020	\$ <u>21,275,753</u>
Changes for the year:	
Service cost	427,710
Interest	419,088
Effect of plan changes	-
Recognition of deferred outflows of resources:	
Recognition of economic/demographic gains or losses	430,050
Recognition of assumption changes or inputs	<u>(838,361)</u>
OPEB expense	438,487
Benefit payments	(268,036)
Deferred outflows of resources:	
Differences between expected and actual experience	-
Changes of proportion	<u>(7,800,351)</u>
Net changes	<u>(7,629,900)</u>
Balance at June 30, 2021	\$ <u>13,645,853</u>

OPEB Expense, Changes in Total Collective OPEB Liability, Deferred Inflows of Resources and Deferred Outflows of Resources (Continued)

For the year ended June 30, 2021 the JEF recognized OPEB expense of \$438,487. At June 30, 2021 the JEF reported deferred outflows and deferred inflows related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of assumptions or other inputs	\$ 558,429	\$2,324,693
Changes in Proportion	-	-
Differences between expected and actual experience	845,274	-
Total	<u>\$1,403,703</u>	<u>\$2,324,693</u>

I: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

Year Ended	Net Amount Recognized in OPEB Expense
2021	323,611
2022	335,077
2023	262,302
	<u>\$ 920,990</u>

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the discount rate

The following presents the JEF’s proportionate share of the total collective OPEB liability using the current discount rate as well as what the JEF’s proportionate share of the total collecting OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.12%</u>	<u>2.12%</u>	<u>3.12%</u>
Proportionate Share of Total Collective OPEB Liability	<u>\$16,320,934</u>	<u>\$13,645,853</u>	<u>\$11,631,350</u>

Sensitivity of the proportionate share of the total collective OPEB liability to changes in the healthcare cost trend rates

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

I: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	3.0% increasing to 5.0%	4.0% increasing to 6.0%	5.0% increasing to 6.0%
Proportionate Share of Total Collective OPEB Liability	\$12,343,703	\$13,645,853	\$15,408,223

Life insurance benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all employees who retire after May 1, 1976 have \$5,000 of term life insurance coverage. The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Continuance Fund Account.

The Judicial Expense Fund does not recognize expenditures for these life insurance benefits since they are provided by the City-Parish.

Commissioners' Office Employees

In addition to the pension benefits described in Note H, the State of Louisiana provides post-retirement health care benefits. LRS 42:821 through 42:880 establishes the self-insured and self-funded state employees group health care and life insurance program and authorizes the commissioners' office to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the commissioners' employees become eligible for those benefits if they reach normal retirement age while working for the Commissioners' office. Monthly premiums are paid jointly by the employees and the employer (from the Commissioners' office appropriation) for active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the HMO's authorized by Group Benefits.

The Judicial Expense Fund does not recognize expenditures for these benefits since they will be included in the annual appropriation from the State of Louisiana.

J: INTERFUND TRANSACTIONS

The following is a summary of amounts due from and due to other funds at June 30, 2021:

	Due to:				Total
	General Fund	Commissioners' Fund	Indigent Transcript Fund	Drug Treatment Fund	
<u>Due from:</u>					
General Fund	\$ -	\$ -	\$ 677,478	\$ 6,215	\$ 683,693
Commissioner's Fund	93,467	-	-	-	93,467
Indigent Transcript Fund	-	4,143	-	-	4,143
	<u>\$ 93,467</u>	<u>\$ 4,143</u>	<u>\$ 677,478</u>	<u>\$ 6,215</u>	<u>\$ 781,303</u>

Outstanding balances between funds reported as “due to/due from other funds” includes charges by one fund to another for services and/or goods outstanding at year end and are expected to be settled within the next year.

The operating transfers in or out during the year ended June 30, 2021 are as follows:

<u>Transfers from:</u>	Transfers to:
	General Fund
Indigent transcript fund	\$ 38,981

Transfers are substantially for the purposes of subsidizing operating functions. Court reporters are paid from the general fund, and the indigent transcript fund reimburses the general fund whenever the transcript is categorized as “indigent.” Whenever expenditures for the Commissioners’ offices exceed the state appropriation, the general fund covers the excess.

K: CONCENTRATIONS OF CREDIT AND OTHER RISKS

Intergovernmental receivables represent amounts due from other East Baton Rouge Parish governmental agencies and the State of Louisiana. The majority of the other receivables are due from Louisiana attorneys who practice before the court. Such receivables are not collateralized. Payment of these amounts is partly dependent upon the economic and financial conditions within East Baton Rouge Parish and the State of Louisiana.

Included in general fund intergovernmental revenue is an appropriation from the East Baton Rouge City – Parish for salaries and related employment taxes and benefits as well as for supplies and other services in the amount of \$4,689,960. The Drug Court program is funded through cost reimbursement funding in the amount of \$245,033 from the Louisiana Supreme Court. The Commissioner’s fund is totally supported by an appropriation from the Louisiana Supreme Court in the amount of \$400,707. The Court is dependent upon continued funding from these entities.

L: CONTINGENCIES

The incorporation of the City of St. George will financially affect the City of Baton Rouge as well as the funding of the Court. The total financial consequences of this incorporation is not fully known at the time of the release of this audit report.

M: OPERATING LEASES

The Judicial Expense Fund leases twenty-seven copy machines from an outside vendor. All of the leases are for a period of one year and end on June 30, 2021. The annual lease amount ranges from \$516 to \$631, plus additional usage charges. Rent expense for June 30, 2021 was \$24,679. The leases were renewed for a one-year period. Future minimum lease expense is \$16,518.

N: SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 23, 2022, the date the financial statements were available to be issued.

O: PRIOR PERIOD ADJUSTMENT

The Total OPEB Liability as of the December 31, 2019 measurement date was increased by \$298,829,222 to correct for deficiencies in the prior valuation methodology. The primary sources of these deficiencies were: (a) valuing \$0 post-65 liability for 931 current retirees, (b) valuing \$0 liability for the first four years of the projection for 211 current non-DROP retirees (i.e., effectively treating these retirees as though they were DROP retirees) and (c) not valuing dental benefits for spouses of current or future retirees. Based on conversations with the City and other experts, it is believed that these deficiencies have been inherent in each valuation since GASB No. 75 was first applied to FY2018 (i.e., the liability at the inception of GASB No. 75 should have reflected the additional liability associated with these deficiencies). As such, in accordance with Paragraph No. 244 of GASB No. 75, no deferred outflows of resources would have been established in association with this additional liability had it been reflected correctly in the GASB No. 75 liability at the beginning of FY2018. Accordingly, no adjustments are being made to the deferred inflows of resources or the deferred outflows of resources presented in this report. The net effect of the correction to the Judges Expense Fund is a decrease to net position of \$3,018,175.

REQUIRED SUPPLEMENTAL INFORMATION

**NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND, INDIGENT TRANSCRIPT FUND AND
DRUG TREATMENT FUND**

Year ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance - July 1, 2020	\$ 1,546,258	\$ 1,546,258	\$ 1,546,258	\$ -
Resources (inflows):				
Fees and fines:				
Clerk of Court - civil and probate filing fees	150,927	113,195	182,005	68,810
East Baton Rouge Parish Sheriff:				
Court costs	72,610	96,813	79,621	(17,192)
Court defrayment costs	512,201	682,761	676,331	(6,430)
Bail bond forfeitures	57,082	76,109	60,943	(15,166)
Fines	3,056	4,074	1,663	(2,411)
Indigent transcript fees	66,732	88,977	76,850	(12,127)
Drug lab fees	70,817	94,423	118,408	23,985
East Baton Rouge District Attorney:				
Drug enforcement forfeitures	-	135,000	215,700	80,700
Bail bond license fees	214,737	286,316	419,074	132,758
Louisiana Department of Public Safety - license fees	12,294	16,392	16,726	334
Intergovernmental:				
Louisiana Supreme Court:				
Drug court appropriation	224,939	299,918	245,033	(54,885)
City of B.R./Parish of E.B.R.:				
Compensation and Benefits	3,382,237	4,509,649	4,689,960	180,311
Charges for services:				
Program fees	2,433	3,245	6,407	3,162
Transcript Fees	-	-	174,827	174,827
Drug Court Grant	-	-	15,702	15,702
Interest	750	1,000	3,880	2,880
Other	1,172,411	1,578,215	17,103	(1,561,112)
Total resources	<u>5,943,226</u>	<u>7,986,087</u>	<u>7,000,233</u>	<u>(985,854)</u>
Amounts available for appropriation	\$ 7,489,484	\$ 9,532,345	\$ 8,546,491	\$ (985,854)

Continued

Exhibit 1 (Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final - as Restated		
Charges to appropriations (outflows):				
District Court:				
Personal services:				
Salaries, payroll taxes and benefits	\$ 5,519,257	\$ 4,139,443	5,985,782	\$ (1,846,339)
Supplies:				
Office supplies	41,545	31,159	15,837	15,322
Computer supplies	20,060	15,045	34,033	(18,988)
Drug screen lab supplies/services	237,934	178,451	96,214	82,237
Dues and subscriptions	8,400	6,300	17,534	(11,234)
Other	43,445	32,584	39,973	(7,389)
Contractual services:				
Legal and other professional fees	126,315	94,736	97,804	(3,068)
Drug treatment services	299,918	224,939	216,434	8,505
Surety bonds/group insurance	36,000	27,000	50,969	(23,969)
Other contractual services	60,000	45,000	34,023	10,977
Travel, meetings and conferences	35,099	26,324	116,045	(89,721)
Equipment repair and maintenance	21,973	16,480	24,959	(8,479)
Judiciary Commission Matters	-	-	4,780	(4,780)
Equipment	-	-	-	-
Capital outlay	-	-	-	-
Total charges to appropriations	<u>6,449,946</u>	<u>4,837,461</u>	<u>6,734,387</u>	<u>(1,896,926)</u>
Budgetary fund balance - June 30, 2021	<u>\$ 1,039,538</u>	<u>\$ 4,694,884</u>	<u>\$ 1,812,104</u>	<u>\$ (2,882,780)</u>

COMPENSATION FUND FOR JURORS IN CRIMINAL CASES

	Agency Fund			
Budgetary fund balance - July 1, 2020	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Criminal juror compensation	-	-	-	-
Charges to appropriations (outflows):				
Criminal juror compensation	-	-	-	-
Budgetary fund balance - June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to budgetary comparison schedules.

**NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
BUDGETARY COMPARISON SCHEDULE - COMMISSIONERS' FUND**

Year ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance (deficit) - July 1, 2020	\$ (35,155)	\$ (35,155)	\$ (35,155)	\$ -
Resources (inflows):				
Intergovernmental:				
State of Louisiana	400,707	400,707	400,707	-
Total resources	<u>400,707</u>	<u>400,707</u>	<u>400,707</u>	<u>-</u>
Amounts available for appropriation	365,552	365,552	365,552	-
Charges to appropriations (outflows):				
Commissioners':				
Personal services:				
Salaries, taxes and retirement	245,729	184,297	235,583	(51,286)
Group benefits:				
Group insurance	143,478	107,609	157,248	(49,639)
Supplies:				
Office supplies	883	662	5,986	(5,324)
Computer supplies	1,316	987	2,568	(1,581)
Contractual services:				
Legal and other professional fees	6,701	5,026	3,200	1,826
Travel, meetings and conferences	2,600	1,950	581	1,369
Legal research	-	-	13,380	(13,380)
Total charges to appropriations	<u>400,707</u>	<u>300,531</u>	<u>418,546</u>	<u>(118,015)</u>
Budgetary fund balance - June 30, 2021	\$ (35,155)	\$ 65,021	\$ (52,994)	\$ (118,015)

See accompanying note to budgetary comparison schedules.

**NINETEENTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL**

June 30, 2021

Budgetary accounting and control

Budget law

The Judicial Expense Fund prepares the annual combined operating budget for the general fund, the indigent transcript fund, and the drug treatment fund under the provisions of the Louisiana Municipal Budget Act. In accordance with those provisions, the following procedures are used in adopting the annual budget for these funds:

- (1) An operating budget is prepared 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 budgets are prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by character (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.
- (5) Appropriations lapse at the end of each fiscal year.

With regard to the Commissioners' fund, which is an appropriation of the Louisiana Supreme Court for the operation of the commissioners' offices, the Judicial Budgetary Control Board governs the budget. R.S. 39:4B exempts the judiciary of the state from the State Division of Administration budgetary control, and since budgetary reporting for the Commissioners' Fund is the responsibility of the Judicial Budgetary Control Board, the Nineteenth Judicial District Court is of the opinion that the Commissioners' Fund is also not subject to the Local Government Budget Act (R.S. 39:1301-14), in particular, those requirements relating to public hearings and advertisement. Accordingly, the Commissioners' Fund budget to actual presentation will utilize the budget data formulated under the auspices of the Judicial Budgetary Control Board.

These procedures are followed in establishing the budgetary data reflected in the financial statements with regard to the special revenue fund:

- (1) An operating budget is prepared for the commissioners' fund prior to the commencement of the budgetary fiscal year and submitted to the Judicial Budgetary Control Board. The operating budget includes proposed expenditures for the upcoming year.

- (2) All funds remaining unexpended or unencumbered at year end are returnable to the state general fund at the direction of the Supreme Court.
- (3) Any surpluses occurring in the appropriation may be transferred from one line item to another during the fiscal year.

Budgetary accounting

The General Fund, Indigent Transcript Fund and the Commissioners' Fund budgets are prepared and presented using the modified accrual basis of accounting.

NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLANS
RETIREE HEALTH AND DENTAL INSURANCE PROGRAMS
Year ended June 30, 2021

SCHEDULE OF FUNDING PROGRESS

Year End	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ©	UAAL as a Percentage of Covered ((b-a)/c)
12/31/2020	12/31/2020	-	13,645,853	13,645,853	0.00%	1,728,541	789%
12/31/2019	12/31/2019	-	21,275,753	21,275,753	0.00%	2,646,006	690%
12/31/2018	12/31/2018	-	15,427,066	15,427,066	0.00%	4,626,237	333%
12/31/2017	1/1/2017	-	20,591,595	20,591,595	0.00%	3,726,607	553%
12/31/2016	1/1/2015	-	20,174,599	20,174,599	0.00%	3,576,041	564%
12/31/2015	1/1/2015	-	20,522,481	20,522,481	0.00%	3,546,102	579%
12/31/2014	1/1/2013	-	19,244,810	19,244,810	0.00%	3,326,713	578%
12/31/2013	1/1/2013	-	18,803,148	18,803,148	0.00%	3,250,367	578%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year End	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Increase/(Decrease) to Net OPEB Obligation	Total OPEB Obligation
12/31/2020	438,487	268,036	3.51%	(7,629,900)	13,645,853
12/31/2019	1,290,167	436,648	33.85%	2,830,512	18,257,578
12/31/2018	4,773,875	390,654	8.19%	(5,164,528)	15,427,066
12/31/2017	1,104,125	463,476	37.60%	640,649	20,591,594
12/31/2016	1,420,428	472,193	33.24%	948,235	19,950,945
12/31/2015	1,444,671	478,700	33.14%	965,971	8,360,794
12/31/2014	1,382,813	409,993	29.65%	948,235	7,394,823
12/31/2013	1,349,387	379,053	28.09%	970,334	6,422,003

**NINETEENTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**
Year ended December 31, 2021

Fiscal Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana Clerks' of Court Retirement and Relief Fund					
2021	1.7596%	\$ 4,233,370	\$ 1,746,584	242.3800%	72.0939%
2020	2.0183%	\$ 3,665,238	\$ 1,962,474	186.7662%	77.9300%
2019	2.2502%	\$ 3,742,682	\$ 2,083,766	179.6114%	79.0700%
2018	2.4530%	\$ 3,711,191	\$ 2,440,420	152.0718%	79.6900%
2017	2.7018%	\$ 4,998,373	\$ 2,311,222	216.2654%	74.1702%
2016	2.8132%	\$ 4,220,007	\$ 2,624,368	161.0000%	78.1000%
2015	2.8606%	\$ 3,857,822	\$ 2,585,873	149.1884%	79.3700%
Louisiana School Employees' Retirement System					
2021	0.0141%	\$ 112,894	\$ 42,292	266.9400%	82.5147%
2020	0.0144%	\$ 101,110	\$ 42,332	238.8500%	73.4900%
2019	0.0144%	\$ 96,225	\$ 40,335	238.5645%	74.4400%
2018	0.0141%	\$ 90,159	\$ 39,159	230.2383%	75.0300%
2017	0.0133%	\$ 100,004	\$ 39,159	255.3794%	70.0911%
2016	0.0115%	\$ 72,696	\$ 38,106	191.0000%	74.5000%
2015	0.0130%	\$ 75,412	\$ 35,516	212.3325%	76.1800%
Louisiana State Employees' Retirement System					
2021	0.1255%	\$ 10,375,222	\$ 2,631,104	394.3296%	57.9985%
2020	0.1364%	\$ 9,879,888	\$ 2,712,563	364.2271%	62.9000%
2019	0.1498%	\$ 10,216,114	\$ 2,866,480	356.3993%	62.5000%
2018	0.1499%	\$ 10,553,317	\$ 2,724,188	387.3931%	62.5000%
2017	0.1479%	\$ 11,611,568	\$ 2,704,139	429.3998%	57.7280%
2016	0.1302%	\$ 8,855,905	\$ 2,654,670	334.0000%	62.7000%
2015	0.1386%	\$ 8,664,944	\$ 2,577,012	336.2400%	65.0000%

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

The amounts presented have a measurement date of the previous fiscal year end.

**NINETEENTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
SCHEDULE OF PENSION CONTRIBUTIONS**
Year ended December 31, 2021

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Louisiana Clerks' of Court Retirement and Relief Fund					
2021	\$ 331,846	\$ 331,846	\$ -	\$ 1,746,584	19.00%
2020	\$ 373,111	\$ 373,111	\$ -	\$ 1,962,474	19.01%
2019	\$ 371,455	\$ 371,455	\$ -	\$ 2,083,766	17.83%
2018	\$ 395,916	\$ 395,916	\$ -	\$ 2,440,420	16.22%
2017	\$ 419,680	\$ 419,680	\$ -	\$ 2,311,222	18.16%
2016	\$ 471,957	\$ 471,957	\$ -	\$ 2,624,368	17.98%
2015	\$ 485,508	\$ 485,508	\$ -	\$ 2,585,873	18.78%
Louisiana School Employees' Retirement System					
2021	\$ 12,355	\$ 12,355	\$ -	\$ 42,292	29.21%
2020	\$ 11,853	\$ 11,853	\$ -	\$ 42,332	29.40%
2019	\$ 11,773	\$ 11,773	\$ -	\$ 40,335	28.00%
2018	\$ 11,471	\$ 11,471	\$ -	\$ 39,159	27.60%
2017	\$ 11,059	\$ 11,059	\$ -	\$ 39,159	27.00%
2016	\$ 10,949	\$ 10,949	\$ -	\$ 38,106	28.00%
2015	\$ 12,575	\$ 12,575	\$ -	\$ 35,516	33.00%
Louisiana State Employees' Retirement System					
2021	\$ 1,055,073	\$ 1,055,073	\$ -	\$ 2,631,104	40.10%
2020	\$ 1,104,013	\$ 1,104,013	\$ -	\$ 2,712,563	40.70%
2019	\$ 1,144,126	\$ 1,144,126	\$ -	\$ 2,866,480	39.91%
2018	\$ 1,086,396	\$ 1,086,396	\$ -	\$ 2,724,188	37.90%
2017	\$ 1,000,021	\$ 1,000,021	\$ -	\$ 2,704,139	36.71%
2016	\$ 1,016,221	\$ 1,016,221	\$ -	\$ 2,654,670	37.60%
2015	\$ 982,228	\$ 982,228	\$ -	\$ 2,577,012	37.00%

**NINETEENTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON PENSIONS**

June 30, 2021

Changes of Benefit Terms include:

Louisiana Clerks' of Court Retirement and Relief fund

There were no changes of benefit terms for the year ended June 30, 2021.

Louisiana School Employees Retirement System

There were no changes of benefit terms for the year ended June 30, 2021.

Louisiana State Employees' Retirement System

There were no changes of benefit terms for the year ended June 30, 2021.

Changes of Assumptions include:

Louisiana Clerks' of Court Retirement and Relief Fund

The fund changed to using the mortality rates based on Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale.

Louisiana School Employees Retirement System

The System has changed to using mortality rates based on the RP-2014 Healthy Annuitant Table, RP-2014 Sex Distinct Mortality Table, RP-2014 Sex Distinct Employee Table.

Louisiana State Employees' Retirement System

Investment Rate of Return	7.55% per annum, net of investment expenses
Inflation Rate	2.3%, per annum
Mortality	<p><i>Non-disabled members</i> – The RP-2014 Blue Collar (males/females) and White Collar (females) Health Annuitant Tables projected on a fully generational basis by Mortality Improvements Scale MP-2018.</p> <p><i>Disabled members</i> – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.
Salary Increases	Salary increases were projected based on the 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.00%	12.80%
Judges	2.60%	5.10%
Corrections	3.60%	13.80%
Hazardous Duty	3.60%	13.80%
Wildlife	3.60%	13.80%

**NINETEENTH JUDICIAL DISTRICT COURT-JUDICIAL EXPENSE FUND
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEADS**

June 30, 2021

Purpose	Charles Toney Judicial Administrator	Wilson Fields Judge
	Amount	
Salary	61,419	-
Benefits-Medicare	1,642	
Benefits-Health Insurance	4,502	-
Benefits-Dental Insurance	291	
Benefits-Retirement	29,542	-
Office Supplies	-	980
Annual Dues	275	200
Conference Registrations	50	-
Conference Meals / Per Diem / Mileage	-	-
Conference Travel-Hotel	-	-

Note: Judges are not required to include compensation, reimbursements, and benefits received directly from the Louisiana Supreme Court. Amounts reported above were paid from funds the court administers.

**NINETEENTH JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND
JUSTICE SYSTEM FUNDING SCHEDULE
RECEIVING ENTITY (CASH BASIS)**

Year ended June 30, 2021

LLA Entity ID#: 4213

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Receipts From:		
Civil Fees		
East Baton Rouge Parish Clerk of Court, Filing Fees	\$ 98,680	\$ 83,325
East Baton Rouge Parish Sheriff, Traffic Fees	37,947	41,674
Louisiana Department of Public Safety, Reinstatement Fees	6,963	9,763
Bond Fees		
East Baton Rouge Parish Sheriff, Surety Bond	1,175	363
East Baton Rouge Parish Sheriff, Bond Forfeitures	38,205	22,738
Pre-Trial Diversion Program Fees		
Criminal Court Costs/Fees		
East Baton Rouge Parish District Attorney, Bail bond Licensing	219,403	198,133
East Baton Rouge Parish District Attorney, Costs	-	215,700
East Baton Rouge Parish Sheriff, Coroner Fees	6,513	-
Criminal Fines - Contempt		
Criminal Fines - Other		
19th Judicial District Court, Court Imposed Fines	980	683
Probation/Parole/Supervision Fees		
East Baton Rouge Parish Sheriff Court Defrayment	86	294
East Baton Rouge Parish Sheriff Drug Lab Fees	53,151	65,256
Subtotal of Receipts	\$ 463,103	\$ 637,929



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

To the Honorable Judges
Nineteenth Judicial District Court
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, each major fund, and the aggregate remaining fund information of the Nineteenth Judicial District Court-Judges Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Baton Rouge, Louisiana's basic financial statements, and have issued our report thereon dated May 23, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Nineteenth Judicial District Court-Judges 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 Nineteenth Judicial District Court-Judges Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nineteenth Judicial District Court-Judges Expense Fund's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Nineteenth Judicial District Court-Judges 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.

TWRU

CPAs & Financial Advisors
Baton Rouge, Louisiana
May 23, 2022



TWRU
CPAs & Financial Advisors

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2021**

SUMMARY OF AUDITORS' REPORTS

Financial Statements: The auditor expresses an unmodified opinion on the financial statements of The Nineteenth Judicial District Court-Judicial Expense Fund.

Internal Control over Financial Reporting:

Material weakness(es) identified No

Significant deficiency(ies) identified No

Noncompliance material to financial statements noted No

Management Letter issued No

FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

CURRENT YEAR

There are no findings for the year ended June 30, 2021.

PRIOR YEAR

There are no findings for the year ended June 30, 2020.