

FOURTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

Component Unit Financial Statements
And
Independent Auditors' Report
June 30, 2019



**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

Component Unit Financial Statements
As of and for the Year Ended June 30, 2019
With Supplementary Information Schedules

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**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

Component Unit Financial Statements
As of and for the Year Ended June 30, 2019
With Supplementary Information Schedules

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INDEPENDENT AUDITORS' REPORT

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying component unit financial statements of the governmental activities and the aggregate remaining fund information and each major fund of the Fourth Judicial District Court, Judicial Expense Fund, a component unit of the Ouachita Parish Police Jury as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Court's component unit 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fourth Judicial District Court, Judicial Expense Fund, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in conformity 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 (pages 4-10), the budgetary comparison information (pages 63-67), the Schedule of Employer's Proportionate Share of the Net Pension Liability (page 68), Schedule of Employer's Contributions (page 69), Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability (page 70), and Schedule of Employer's OPEB Contributions (page 71) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fourth Judicial District Court, Judicial Expense Fund, a component unit of the Ouachita Parish Police Jury's basic financial statements. The Schedule of Expenditures of Federal Awards; the Schedules of Combining Accounts; the Schedule of Compensation, Benefits, and Other Payments to Agency Head; and the Schedule of Judges are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards; the Schedules of Combining Accounts; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards; the Schedules of Combining Accounts; and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2019, on our consideration of the Fourth Judicial District Court, Judicial Expense Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Fourth Judicial District Court, Judicial Expense Fund's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 26, 2019

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION (PART A)



STATE OF LOUISIANA

Fourth Judicial District Court

PARISHES OF MOREHOUSE AND OUACHITA

300 ST. JOHN ST. - SUITE 400

Monroe, Louisiana 71201

TELEPHONE (318) 361-2260
FAX (318) 361-2273

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Fourth Judicial District Court provides an overview of the Court's activities for the year ended June 30, 2019. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The Court's liabilities were in excess of its assets by \$2,083,518 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 1. Investment in capital assets, of \$130,564 includes office furniture and equipment, net of accumulated depreciation.
 2. Unrestricted net deficit of \$3,465,655 resulting from recognizing \$1,777,668 of post-retirement benefits and \$2,442,117 of retirement benefits payable at some time in the future.
 3. Restricted net position of \$1,251,573 represents the amount that may be used to meet the Court's obligations to citizens and creditors within the Court's designation and policies.
- The Court's total net position increased by \$322,488 during the current fiscal year.
- At the end of the most recent fiscal year, unassigned fund balance of the General Fund was \$309,815, or 18% of total current year General Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Court as a whole and present a long-term view of the Court's finances. Fund financial statements tell how governmental activities were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all the Court's governmental funds.

These financial statements consist of three sections: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

USING THIS ANNUAL REPORT (continued)

Reporting the Court as a Whole

The Statement of Net Position and the Statement of Activities

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 Court's net position and changes in them. The Court's net position - the difference between assets, deferred outflows, liabilities, and deferred inflows - measure the Court's financial position. The increases or decreases in the Court's net position are an indicator of whether its financial position is improving or deteriorating. 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 should be considered in order to assess the overall condition of the Court.

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

Reporting the Court's Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Court's funds, not the Court as a whole. In addition to accounting for the court costs and fees and other revenues that finance activities of District Court, the Court also accounts for appropriations received from the Department of Health and Human Resources, State of Louisiana, related to child support cases and from the State of Louisiana Supreme Court to administer the Drug Court. The General Fund, the Child Support Fund, and the Court Services Fund are all governmental funds that are available for spending. These funds are reported using an accounting method called modified accrual 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 Court'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 Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

THE COURT AS A WHOLE

The Court had \$2,991 more court fees collected during the year ended June 30, 2019. The Court realized Supreme Court receipts related to the Drug Court that decreased \$40,000 due to lower grant awards for the current fiscal year. The warrant revenue increased \$41,827 during the current fiscal year. The Court also had total expenditures totaling \$60,274 more than the prior year.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

THE COURT AS A WHOLE (continued)

Governmental Activities

The Court's liabilities exceeded its assets at the close of the fiscal year 2019 by \$2,083,518. For the fiscal year ended June 30, 2019, the net position increased by \$322,488 (or 13.4%) and the Court's revenue increased by \$345,230 (or 10.1%). The revenue increase was primarily related to witness fee and jury fee funds administered by the Ouachita Parish Police Jury. The Court received \$334,000 during the current fiscal year.

To aid in the understanding of the Statement of Activities some additional explanation is provided. Its format is significantly different than that of the Statement of Revenues, Expenses, and Changes in Fund Balance. The expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net Revenue/(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. Court costs and fees reported represent the majority of the revenues for the District Court function.

All other governmental revenues (such as interest) are reported as general.

THE COURT'S FUNDS

The following schedule presents a summary of general and special revenue funds net position:

Statement of Net Position (Deficit) Comparative Data

	June 30		Variance Increased (Decreased) Amounts	Variance Increased (Decreased) Percent (%)
	2019	2018		
Capital assets, net	\$ 130,564	\$ 57,723	\$ 72,841	126.2%
Other assets	<u>1,890,340</u>	<u>1,905,916</u>	<u>(15,576)</u>	<u>(0.8%)</u>
Total assets	\$ 2,020,904	\$ 1,963,639	\$ 57,265	2.9%
Deferred outflows of resources	<u>1,775,321</u>	<u>1,264,302</u>	<u>511,019</u>	<u>40.4%</u>
Total assets and deferred outflows of resources	<u>\$ 3,796,225</u>	<u>\$ 3,227,941</u>	<u>\$ 568,284</u>	<u>17.6%</u>
Noncurrent liabilities	\$ 4,219,785	\$ 3,826,488	\$ 393,297	10.3%
Other liabilities	<u>355,806</u>	<u>456,971</u>	<u>(101,165)</u>	<u>(22.1%)</u>
Total liabilities	\$ 4,575,591	\$ 4,283,459	\$ 292,132	6.8%
Deferred inflows of resources	1,304,152	1,350,488	(46,336)	(3.4%)
Net position				
Net investment in capital assets	130,564	57,723	72,841	126.2%
Unrestricted (deficit)	(3,465,655)	(3,646,559)	180,904	5.0%
Restricted	<u>1,251,573</u>	<u>1,182,830</u>	<u>68,743</u>	<u>5.8%</u>
Total net position (deficit)	<u>\$ (2,083,518)</u>	<u>\$ (2,406,006)</u>	<u>\$ 322,488</u>	<u>13.4%</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

THE COURT'S FUNDS (continued)

How 2019 Compares with 2018 - Statement of Activities

The information below gives comparative data from the Statement of Activities for the fiscal years ended June 30, 2019 and 2018.

Statement of Activities Comparative Data

	June 30		Variance Increased (Decreased) Amounts	Variance Increased (Decreased) Percent (%)
	2019	2018		
Revenues				
Program revenues	\$ 1,084,546	\$ 978,409	\$ 106,137	10.8%
General revenues	<u>2,688,638</u>	<u>2,449,545</u>	<u>239,093</u>	<u>9.8%</u>
Total revenues	<u>\$ 3,773,184</u>	<u>\$ 3,427,954</u>	<u>\$ 345,230</u>	<u>10.1%</u>
Expenses				
Judicial expense fund	\$ 1,567,794	\$ 1,369,559	\$ 198,235	14.5%
Child support fund	632,071	694,359	(62,288)	(9.0%)
Court services	<u>1,250,831</u>	<u>1,326,504</u>	<u>(75,673)</u>	<u>(5.7%)</u>
Total expenses	<u>\$ 3,450,696</u>	<u>\$ 3,390,422</u>	<u>60,274</u>	<u>1.8%</u>
Change in net position	<u>322,488</u>	<u>37,532</u>	<u>284,956</u>	<u>759.2%</u>
Net position (deficit) beginning of year	<u>\$ (2,406,006)</u>	<u>\$ (2,443,538)</u>	<u>\$ 37,532</u>	<u>1.5%</u>
Net position (deficit), end of year	<u>\$ (2,083,518)</u>	<u>\$ (2,406,006)</u>	<u>\$ 322,488</u>	<u>13.4%</u>

The net position of the Court increased by \$322,488 (or 13.4%) from June 30, 2018 to June 30, 2019.

The following schedule presents a summary of General and Special Revenue Fund revenues and expenditures for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to the prior year.

	FYE 2019 Amount	Percent of Total	FYE 2018 Amount	Percent of Total	Increase (Decrease) from FYE 2018	Percent Increase (Decrease)
Revenues						
Operating grants	\$ 313,511	8%	\$ 266,129	8%	\$ 47,382	18%
Intergovernmental	2,664,670	71%	2,431,989	71%	232,681	10%
Charges for services	771,035	20%	712,280	21%	58,755	8%
Interest	22,071	1%	14,525	-	7,546	52%
Other	<u>1,897</u>	<u>-</u>	<u>3,031</u>	<u>-</u>	<u>(1,134)</u>	<u>(37%)</u>
Total revenues	<u>\$ 3,773,184</u>	<u>100%</u>	<u>\$ 3,427,954</u>	<u>100%</u>	<u>\$ 345,230</u>	<u>10%</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

THE COURT'S FUNDS (continued)

Statement of Activities Comparative Data (continued)

Intergovernmental revenues increased due to an increase in the court fees collected during the year. Interest revenue increased due to the interest paid on accounts during the current year.

	FYE 2019 Amount	Percent of Total	FYE 2018 Amount	Percent of Total	Increase (Decrease) from FYE 2018	Percent Increase (Decrease)
Expenditures						
District court	\$ 3,568,766	97%	\$ 3,624,041	100%	\$ (55,275)	(2%)
Capital outlay	<u>117,439</u>	<u>3%</u>	<u>-</u>	<u>-%</u>	<u>117,439</u>	<u>100%</u>
Total expenditures	<u>\$ 3,686,205</u>	<u>100%</u>	<u>\$ 3,624,041</u>	<u>100%</u>	<u>\$ 62,164</u>	<u>2%</u>

The Judicial Expense, Child Support, and Misdemeanor Probation expenditures increased moderately during 2019. The increase of District Court expenditures was mainly due to \$117,439 in capital outlays, whereas, prior year the Court had no capital outlay expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund and Special Revenue Funds' budgets were revised one time. The General Fund budget amendments were due to increases in warrant revenue, decreases in court fees, increases in asset expenditures, professional fees, insurance, retirement, and salaries with decreases in postage, repair, maintenance, and warranty, and seminars, meetings, and travel.

The actual General Fund revenues were less than the final budget by \$4,072. Actual General Fund expenditures were more than the final budget by \$5,441.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of June 30, 2019, the Court had \$130,564 invested in capital assets including computer equipment and office furniture and equipment (see table below).

Computer equipment, including software	\$ 23,685
Office equipment and furniture	<u>106,879</u>
Ending capital assets	<u>\$ 130,564</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

THE COURT'S FUNDS (continued)

DEBT

At year end, the Court had a total of \$108,568 estimated for accrued compensated absences that represents the future liability for vacation earned but not used by District Court employees. That is an increase of seven percent (7%) as shown in the following table. The Court also had a total of \$1,777,668 estimated for post-retirement benefit plan payable that represents a future liability for medical and life insurance available upon retirement by District Court employees. This is the tenth year that this liability has been recognized. Net pension liability recognized by the Court was \$2,442,117 that represents a future liability for retirement by District Court employees. The pension related deferred inflows recognized by the Court was \$1,110,875 that represents contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in a subsequent period. The post-retirement benefit plan had related deferred inflows recognized by the Court of \$193,277 that represents contributions subsequent to the measurement date that will be recognized as a reduction of the net post-retirement liability in a subsequent period.

	FYE 2019 Amount	FYE 2018 Amount	Increase (Decrease) from FYE 2018	Percent Increase (Decrease)
Accrued compensated absences	\$ 108,568	\$ 101,319	\$ 7,249	7%
Post-retirement benefit plan payable	\$ 1,777,668	\$ 1,867,884	\$ (90,216)	(5%)
Net pension liability	\$ 2,442,117	\$ 1,958,604	\$ 483,513	25%
Post-retirement related deferred inflows	\$ 193,277	\$ 100,217	\$ (90,216)	(93%)
Pension-related deferred inflows	\$ 1,110,875	\$ 1,250,271	\$ (139,396)	(11%)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Court operations are funded by court fees, court cost, the Parishes of Morehouse and Ouachita, and the Louisiana Supreme Court. The Probation/Drug Court Fund anticipates flat income and expense growth. The Judicial Expense Fund has been showing flat or declining revenues for several years while budgets have been trimmed back in certain areas to allow for more travel and technology improvements. Child Support Fund revenues have declined but expenses have also declined but continue to be more than revenues. Reference materials were paid by the Child Support Fund during the current period. The Misdemeanor Probation Fund revenues have increased during the current period and expenditures have decreased providing revenues over expenditures during the current period. Collections of costs and fines are showing a decrease overall.

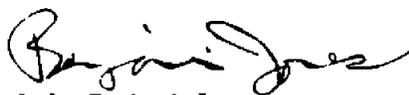
SIGNIFICANT EVENTS

The implementation of the provisions of GASB 68 and 75 has had a major impact on the Fourth Judicial District Court. We have encountered many challenges with these pronouncements and determined our net pension liability and deferred inflows and outflows based upon the actuarial reports provided to us by the three different pension funds. Long-term debt now includes an accrued net pension liability of \$2,442,117, and an accrued post-employment benefit liability of \$1,777,668. See Notes 6 and 7 for detail discussions. The payments made to reduce this long-term debt do not present a problem for the Fourth Judicial District Court in the short or long term.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Court Administrator's Office at The Fourth Judicial District Court, 300 St. John Street, Suite 400, Monroe, Louisiana, 71201.



Judge Benjamin Jones
Court Administrator
December 16, 2019

SECTION II
GOVERNMENT-WIDE FINANCIAL STATEMENTS

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,767,574
Accounts receivable	105
Due from other governmental units	117,206
Prepaid expenses and deposits	5,455
Capital assets	130,564
Total assets	\$ 2,020,904
Deferred outflows of resources	
Deferred outflows related to pensions	\$ 1,768,091
Deferred outflows related to rent paid	186
Deferred outflows related to maintenance costs	7,044
Total deferred outflows of resources	\$ 1,775,321
Total assets and deferred outflows of resources	\$ 3,796,225
Liabilities	
Accrued and other liabilities	\$ 35,082
Due to other governmental units	212,156
Compensated absences payable	108,568
Other post-employment benefits payable	1,777,668
Net pension liability	2,442,117
Total liabilities	\$ 4,575,591
Deferred inflows of resources	
Deferred inflows related to OPEB	\$ 193,277
Deferred inflows related to pensions	1,110,875
Total deferred inflows of resources	\$ 1,304,152
Net position	
Net investment in capital assets	\$ 130,564
Unrestricted (deficit)	(3,465,655)
Restricted	1,251,573
Total net position	\$ (2,083,518)
Total liabilities, deferred inflows of resources, and net position	\$ 3,796,225

The accompanying notes are an integral part of this financial statement.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2019

Function/Program activities:	Program Revenues				Changes in Net Position
	Expenses	Operating Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Grants and Contributions	
Government Activities:					
Judicial Expense Fund	\$ 1,567,794	\$ -	\$ 51,372	\$ -	\$ 1,516,422
Child Support	632,071	-	-	-	632,071
Court Services:					
Misdemeanor Probation	715,548	724,067	-	-	(8,519)
Drug Court	407,191	46,608	142,139	-	218,444
Juvenile Drug Court	128,092	360	120,000	-	7,732
Total government activities	<u>\$ 3,450,696</u>	<u>\$ 771,035</u>	<u>\$ 313,511</u>	<u>\$ -</u>	<u>\$ 2,366,150</u>
General revenues					
Intergovernmental					\$ 2,664,670
Interest					22,071
Other					<u>1,897</u>
Total general revenues					<u>\$ 2,688,638</u>
Changes in net position					\$ 322,488
Net position - beginning					<u>\$ (2,406,006)</u>
Net position - ending					<u>\$ (2,083,518)</u>

The accompanying notes are an integral part of this financial statement.

SECTION III
FUND FINANCIAL STATEMENTS

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court Fund	Total Governmental Fundst
Assets						
Cash and cash equivalents	\$ 467,867	\$ 705,087	\$ 575,879	\$ -	\$ 18,741	\$ 1,767,574
Accounts receivable	85	-	20	-	-	105
Due from other governmental units	16,853	57,858	-	31,673	10,822	117,206
Prepaid expenses and deposits	2,818	1,889	748	-	-	5,455
Due from other funds	128	1,167	-	172,500	-	- †
Total assets	\$ 487,751	\$ 766,001	\$ 576,647	\$ 204,173	\$ 29,563	\$ 1,890,340
Deferred outflows of resources						
Deferred rent paid	\$ 62	\$ 62	\$ 62	\$ -	\$ -	\$ 186
Deferred maintenance costs	1,525	450	5,069	-	-	7,044
Total deferred outflows of resources	\$ 1,587	\$ 512	\$ 5,131	\$ -	\$ -	\$ 7,230
Total assets and deferred outflows	\$ 489,338	\$ 766,513	\$ 581,778	\$ 204,173	\$ 29,563	\$ 1,897,570
Liabilities and fund balances						
Liabilities						
Accrued and other liabilities	\$ 27,218	\$ 1,197	\$ 1,533	\$ 4,346	\$ 788	\$ 35,082
Due to other governmental units	95,455	28,581	67,224	14,442	6,454	212,156
Compensated absences payable	13,382	45,850	36,319	5,572	7,445	108,568
Due to other funds	1,167	128	138,000	-	34,500	- †
Total liabilities	\$ 137,222	\$ 75,756	\$ 243,076	\$ 24,360	\$ 49,187	\$ 355,806
Fund balances						
Nonspendable	\$ 4,405	\$ 2,401	\$ 5,879	\$ -	\$ -	\$ 12,685
Restricted	37,896	688,356	332,823	179,813	-	1,238,888
Unassigned	309,815	-	-	-	(19,624)	290,191
Total fund balances	\$ 352,116	\$ 690,757	\$ 338,702	\$ 179,813	\$ (19,624)	\$ 1,541,764
Total liabilities and fund balances	\$ 489,338	\$ 766,513	\$ 581,778	\$ 204,173	\$ 29,563	\$ 1,897,570

† After internal receivables and payables have been eliminated.

The accompanying notes are an integral part of this financial statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances - total governmental funds	\$	1,541,764
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Deferred outflows - pension related		1,768,091
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Governmental capital assets	\$	557,282
Less accumulated depreciation		<u>(426,718)</u>
		130,564
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Unfunded post-retirement benefit plan obligations are not financial expenditures and, therefore, are not reported in the funds		(1,777,668)
Net pension liability		(2,442,117)
Deferred inflows - OPEB		(193,277)
Deferred inflows - pension related		<u>(1,110,875)</u>
Net position of governmental activities	\$	<u><u>(2,083,518)</u></u>

The accompanying notes are an integral part of this financial statement.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court Fund	Total Governmental Funds
Revenues						
Court fees	\$ 234,345	\$ 742,678	\$ 724,067	\$ 46,608	\$ 360	\$ 1,748,058
Supreme court receipts	-	-	-	237,861	-	237,861
Grant revenue	51,372	-	-	142,139	120,000	313,511
Warrant revenue	1,115,786	-	-	-	-	1,115,786
Interest income	4,737	9,157	8,165	-	12	22,071
Other income	1,440	-	-	373	84	1,897
Total revenues	\$ 1,407,680	\$ 751,835	\$ 732,232	\$ 426,981	\$ 120,456	\$ 3,439,184
Expenditures						
Asset expenditures	\$ 117,439	\$ -	\$ -	\$ -	\$ -	\$ 117,439
Small asset expenditures	9,108	2,113	-	190	-	11,411
Court reporter/process costs	4,640	25	-	-	-	4,665
Insurance expense	225,005	69,206	82,362	21,550	5,865	403,988
Internet access	8,171	1,529	2,685	538	121	13,044
Miscellaneous	3,307	1,241	1,928	-	350	6,826
Office supplies and postage	14,648	-	4,181	-	129	18,958
Payroll taxes	15,752	10,072	6,441	1,163	573	34,001
Professional fees	69,806	35,361	22,082	180,754	56,442	364,445
Reference materials and dues	2,603	66,468	1,047	350	50	70,518
Rent	14,247	7,893	12,622	-	-	34,762
Repair maintenance and warranty	4,709	1,648	16,719	-	-	23,076
Retirement expense	204,063	62,364	53,071	10,288	4,737	334,523
Salaries	950,036	512,387	452,107	89,406	41,384	2,045,320
Seminars meetings and travel	74,373	5,546	2,180	5,692	703	88,494
Supplies	-	1,538	7,105	85,033	12,980	106,656
Telephone and utility expense	5,151	613	2,315	-	-	8,079
Total expenditures	\$ 1,723,058	\$ 778,004	\$ 666,845	\$ 394,964	\$ 123,334	\$ 3,686,205
Excess (deficiency) of revenues over expenditures	\$ (315,378)	\$ (26,169)	\$ 65,387	\$ 32,017	\$ (2,878)	\$ (247,021)
Other financing sources (uses)						
Operating transfers in	\$ 334,000	\$ -	\$ -	\$ -	\$ -	\$ 334,000
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	\$ 334,000	\$ -	\$ -	\$ -	\$ -	\$ 334,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ 18,622	\$ (26,169)	\$ 65,387	\$ 32,017	\$ (2,878)	\$ 86,979
Fund balance - beginning	333,494	716,926	273,315	147,796	(16,746)	1,454,785
Fund balance - ending	\$ 352,116	\$ 690,757	\$ 338,702	\$ 179,813	\$ (19,624)	\$ 1,541,764

The accompanying notes are an integral part of this financial statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balance - total governmental funds	\$	86,979
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	\$	117,439
Depreciation expense		(44,598)
		72,841
Other post-employment benefits are reported in the governmental funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues		
		(2,844)
Pension expense		165,512
Change in Net Position of Governmental Activities	\$	322,488

The accompanying notes are an integral part of this financial statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u> -</u>
Total assets	\$ <u><u> -</u></u>
Liabilities	
Restitution to court-ordered recipients payable	\$ <u> -</u>
Total liabilities	\$ <u><u> -</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. The Judicial Expense Fund has adopted the financial reporting requirements of GASB Statement No. 33 and 34.

The Judicial Expense Fund has adopted the financial reporting requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Pension*.

The Fourth Judicial District Court adopted Government Accounting Standard Board (GASB) Statement No. 68 - *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27, and Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68. The adoption of GASB 68 and 71 required significant changes to the financial statements of the Fourth Judicial District Court. The principal objective of these Statements is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees, both active and inactive are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between government's inflow of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations and the resources available to satisfy those obligations. An additional objective is to improve the information provided in government financial reports about pension-related financial support provided by certain non-employer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

Financial Reporting Entity: The Fourth Judicial District Court, General Fund (Judicial Expense Fund), was created under the Act No. 52 of 1984, effective on the 60th day after final adjournment of the 1984 legislative session of the State of Louisiana. The effective date of funding was set on November 1, 1984.

Special Revenue Funds: The purpose of each major special revenue fund and revenue source is listed below:

The purpose of the fund is to provide sufficient funding to expedite efficient operation of the Court. In general, the fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration of the Court.

The Fourth Judicial District Court, Special Revenue Fund (Child Support), authority was created under the Act No. 517 of 1986, effective within one year after final adjournment of the 1986 legislative session of the State of Louisiana. In accordance with Louisiana Revised Statutes, §46:236.5 the Fourth Judicial District Court implemented this process beginning November 1, 1990.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The purpose of the fund is to provide an expedited process for establishment and enforcement of support obligations which are brought by the Department of Health and Human Services. Revenues are to be expended to administer the proceedings related to the expedited process.

The Fourth Judicial District Court, Special Revenue Fund (Misdemeanor Probation), authority was created under the Louisiana Code of Criminal Procedure Article 895.1C. The Fourth Judicial District Court issued an order signed *en banc* February 26, 1993 implementing this process.

The purpose of the fund is to provide misdemeanor probation services by collecting monthly fines for establishment and enforcement of the probationary period. Revenues are to be expended to administer the proceedings related to the probation process.

The Fourth Judicial District Court, Special Revenue Fund (Drug Court), authority was created under the Louisiana Code of Criminal Procedure Article 193 and Article 18 by Rule XI of this Court. The drug treatment and probation program shall be established in accordance with the provisions of LSAR.5.13:5301-5304. The Fourth Judicial District Court issued an order signed *en banc* February 4, 2000 implementing the process effective January 1, 2000.

The Fourth Judicial District Court, Special Revenue Fund (Adult Drug Court) was granted an award of \$380,000 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

The purpose of the fund is to administer drug offense charges. Revenues are to be expended to administer the monitoring, counseling, and enforcement of drug offense probation.

The Fourth Judicial District Court, Special Revenue Fund (Juvenile Drug Court) was granted an award of \$120,000 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

The purpose of the fund is to administer juvenile drug offense charges. Revenues are to be expended to administer the monitoring, counseling and enforcement of juvenile drug offense probation.

Basis of Presentation: The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Fund Balance Type Definitions: In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Fourth Judicial District Court classifies governmental fund balances as follows:

Nonspendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
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**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Fund balance may be committed by the judges of the Fourth Judicial District Court.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by the judges of the Fourth Judicial District Court.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

Fund Balance Type Actions: The Fourth Judicial District Court uses *restricted/committed* amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Fourth Judicial District Court would first use *committed*, then *assigned*, and lastly *unassigned* amounts of unrestricted fund balance when expenditures are made.

The Fourth Judicial District Court does not have a formal minimum fund balance policy.

A schedule of fund balances is as follows:

	<u>General Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>	<u>Drug Court Fund</u>	<u>Juvenile Drug Court Fund</u>	<u>Total Governmental (Decrease)</u>
Fund balances						
Non spendable						
Prepaid expenses	\$ 4,405	\$ 2,401	\$ 5,879	\$ -	\$ -	\$ 12,685
Restricted						
Families in Need of Services	37,896	-	-	-	-	37,896
Child Support enforcement Court Services	-	688,356	-	-	-	688,356
	-	-	332,823	179,813	-	512,636
Unassigned	<u>309,815</u>	-	-	-	<u>(19,624)</u>	<u>290,191</u>
Total fund balances	\$ 352,116	\$ 690,757	\$ 338,702	\$ 179,813	\$ (19,624)	\$ 1,541,764

The Juvenile Drug Court Fund has a deficit fund balance of \$19,624.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounting and reporting policies of the Fourth Judicial Court, Judicial Expense Fund conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, the industry audit guide, Audits of State and Local Governmental Units: Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and/or, where applicable, Public Law 98-502, the Single Audit Act of 1996, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance).

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB), the Judicial Expense Fund, Child Support, and Court Services are a part of the Fourth Judicial District Court, a component of the Ouachita Parish Police Jury judicial system. The financial reporting entity consists of (a) the primary government (Ouachita Parish Policy Jury), (b) organization for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Codification Section 2100 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Ouachita Parish Policy Jury to impose its will on that organization, and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Ouachita Parish Police Jury.
2. Organizations for which the Ouachita Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Ouachita Parish Police Jury.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Ouachita Parish Police Jury provides for the operation and maintenance of the Courtroom and office space of the Judges in its parish courthouse, the Fourth Judicial District Court was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Fourth Judicial District Court and do not present information on the Ouachita Parish Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic Financial Statements: *Government-wide financial statements* - The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. 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 comprises its assets, liabilities, fund equity, revenues, and expenditures.

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 Fund - Special Revenue Funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. Included in special revenue funds are the Child Support Fund and Court Services Fund which includes Misdemeanor Probation, Drug Court, and Juvenile Drug Court.

This report includes funds which are controlled by the Fourth Judicial District Court (Chief Judge and Judges) but determined to be a component unit of the Ouachita Parish Police Jury. The Ouachita Parish Police Jury has significant control over the Judicial Expense Fund in the area of necessary capital outlay. The Ouachita Parish Police Jury would present this component unit in a discreet presentation format if it were included in their financial statements. The funds are administered by the Court Administrator.

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 measurement focus applied.

Measurement focus - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, 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 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.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available" measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions should be recognized in accordance with the requirements of GASB Codification Section N50.

Budgets and Budgetary Accounting: The Fourth Judicial District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Court Administrator prepares a proposed budget for the General Fund and each Special Revenue Fund and submits same to the Chief Judge, prior to the beginning of each fiscal year.
2. The Chief Judge, Fourth Judicial District Court, signs written approval of the budgets.
3. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Chief Judge.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General Fund (Judicial Expense Fund), and Special Revenue Funds (Child Support Fund, Misdemeanor Probation Fund, Drug Court Fund, and Juvenile Drug Court Fund), are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Amendments of the budget are prepared by the Court Administrator and the process is the same as indicated for the original budget during the fiscal year.

Budget Variance: The significant variation of actual expenses in the areas of reference materials, insurance expense, payroll related expenses, supplies and travel expenses were primarily due to the uncertainties of budgeting. The Chief Judge and Judges were aware of the variances and approved the additional expenses.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments: In accordance with GASB Statement No. 31, the Court's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the credit standing of the issuer or by other factors, it is reported at fair value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Interfund Receivables/Payables: Short-term interfund loans are classified as interfund receivables/ payables.

Prepaid Items: Advance payments for retirement are expensed as the period lapses. The balance in prepaid expense represents advance retirement payments or contracts due to expire during the subsequent months.

Capital Assets: In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000, or more are reported at historical cost. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment, including software	3 - 10 years
Other office equipment	5 - 10 years
Furniture and fixtures	5 - 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.

Compensated Absences: The Fourth Judicial District Court accrues compensated absence expense based on unused vacation available to employees as of the last day of the fiscal year. Accrued compensated absence is recognized as a current year expenditure in the governmental funds. Accumulated sick leave is non-compensable, therefore, no provision has been made for unused sick leave.

Pension Plans: *Louisiana State Employees' Retirement System (LASERS)* - The Fourth Judicial District Court is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/ deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Parochial Employees' Retirement System of Louisiana - The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan." Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

Louisiana Clerks' of Court Retirement and Relief Fund - The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with Louisiana Revised Statute 11:1501 to provide regular, disability, and survivor benefits for clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees. This will be the last year this retirement plan will be included. As of June 30, 2019, no employees were covered by this plan.

Net Position: Net position comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position balances are classified in the following three components:

Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition of those assets. There was no outstanding debt attributable to these fixed assets as of June 30, 2019.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There were \$4,405 and \$37,896 in restricted net position as of June 30, 2019 related to the prepaid expenses, and Families in Need of Services Funds, respectively, in the General Fund and \$1,200,992 restricted net position as of June 30, 2019 related to Special Revenue Fund balances.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Equity: Designated fund balances represent tentative plans for future use of financial resources.

Interfund Transactions: Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Use of Estimates: The preparation of component unit financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 expenses during the reporting period. Actual results could differ from those estimates.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

The Judicial Expense Fund had total actual expenditures more than total budgeted expenses for the year by \$5,441 or 0.3%.

The Child Support Fund had total actual expenditures less than total budgeted expenses for the year by \$116 or 0.01%.

The Misdemeanor Probation Fund had total expenditures less than total budgeted expenses for the year by \$2,057 or 0.3%.

The Drug Court Fund had total actual expenditures less than total budgeted expenses for the year by \$1,783 or 0.5%.

The Juvenile Drug Court Fund had total actual expenditures less than total budgeted expenses for the year by \$969 or 0.8%.

The Chief Judge and Judges were aware of any unfavorable variances and approved the additional expenses.

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

Included as cash and cash equivalents are bank accounts and short-term investments, specifically certificates of deposit.

At June 30, 2019 the Fourth Judicial District Court had cash and cash equivalents (book balances) totaling \$1,767,574 as follows:

Noninterest-bearing demand deposits	\$	46,833
Interest-bearing demand deposits		501,073
Time deposits		<u>1,219,668</u>
Total	\$	<u><u>1,767,574</u></u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risks - Deposits

These deposits are stated at cost, which approximates market. 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 the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2019 the Fourth Judicial District Court had \$1,856,423 in deposits (collected bank balances). These deposits are secured from risk by \$979,182 of federal deposit insurance and \$877,242 of pledged securities held by the bank's agent in the name of the bank as of June 30, 2019.

In accordance with La R.S. 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest-bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmatured or payable on demand. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five days from the date of any deposit to post the necessary security.

B. Investments

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1: Investments that are insured, registered, or held by the entity or by its agent in the Court's name.
- Category 2: Investments that are uninsured and unregistered, or held by the counterparty's trust department or agent in the Court's name.
- Category 3: Uninsured and unregistered investments held by the counterparty, its trust or its agent, but not in the Court's name.

NOTE 4 - ACCOUNT RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS

The receivables of \$105 at June 30, 2019 are as follows:

	<u>General Fund</u>
Other	\$ 105
Total	\$ 105

The Court considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 - ACCOUNT RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS (continued)

Amounts due from other governmental units consisted of the following:

General Fund

Judicial Expense Fund

Court fees - Ouachita Parish, Sheriff Department, State of Louisiana (includes expense reimbursement)	\$ 10,288
Court fees - Ouachita Parish, Clerk of Court, State of Louisiana (includes expense reimbursement)	2,657
Court fees - Morehouse Parish, Sheriff Department, State of Louisiana	1,371
Court fees - Morehouse Parish, Clerk of Court, State of Louisiana	630
Travel and expense reimbursement - Supreme Court, Justice Department, State of Louisiana	118
Expense reimbursement - Ouachita Parish Police Jury, State of Louisiana	1,772
Expense reimbursement - Ouachita Parish District Attorney, State of Louisiana	<u>17</u>
Total	<u>\$ 16,853</u>

Special Revenue Funds

Child Support Fund

Court fees - Department of Health and Human Resources, State of Louisiana	\$ 57,773
Equipment rental reimbursement - Monroe City Court, State of Louisiana	85

Drug Court Fund

Operation fees - Supreme Court, Justice Department, State of Louisiana	31,673
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Juvenile Drug Court Fund

Operation fees - Supreme Court, Justice Department, State of Louisiana	<u>10,822</u>
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Total	<u>\$ 100,353</u>
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**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance <u>June 30, 2018</u>	Additions	Retirements	Balance <u>June 30, 2019</u>
Government activities:				
Computers and printers	\$ 303,606	\$ 8,977	\$ -	\$ 312,583
Equipment	<u>139,038</u>	<u>108,462</u>	<u>(2,801)</u>	<u>\$ 244,699</u>
Totals at historical cost	<u>\$ 442,644</u>	<u>\$ 117,439</u>	<u>\$ (2,801)</u>	<u>\$ 557,282</u>
Less accumulated depreciation for:				
Computers	\$ 271,166	\$ 17,732	\$ -	\$ 288,898
Equipment	<u>113,755</u>	<u>26,866</u>	<u>(2,801)</u>	<u>137,820</u>
	<u>\$ 384,921</u>	<u>\$ 44,598</u>	<u>\$ (2,801)</u>	<u>\$ 426,718</u>
Governmental activities:				
Capital assets, net	<u>\$ 57,723</u>	<u>\$ 72,841</u>	<u>\$ -</u>	<u>\$ 130,564</u>

Depreciation expense was charged to governmental functions as follows:

Judicial Expense Fund	\$ 33,449
Child Support Fund	3,721
Misdemeanor Probation Fund	6,502
Drug Court Fund	622
Juvenile Drug Court Fund	<u>304</u>
	<u>\$ 44,598</u>

NOTE 6 - PENSION PLANS

The Fourth Judicial District Court implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions* and Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB 68. The standards require the Fourth Judicial District Court to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

At June 30, 2019, the Fourth Judicial District Court reported a total liability of \$2,442,117 for its proportionate share of the net pension liability (asset) in the following retirement plans:

Louisiana State Employees' Retirement System (LASERS)	\$ 1,575,471
Parochial Employees' Retirement System of Louisiana	866,646
Louisiana Clerks' of Court Retirement and Relief Fund	<u>-</u>
Total	<u>\$ 2,442,117</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

At June 30, 2019, the Fourth Judicial District Court reported a total deferred outflow asset of \$1,768,041 for its proportionate share of the net pension asset in the following retirement plans:

Louisiana State Employee’ Retirement System (LASERS)	\$ 1,055,815
Parochial Employees’ Retirement System of Louisiana	712,276
Louisiana Clerks’ of Court Retirement and Relief Fund	-
Total	<u>\$ 1,768,091</u>

At June 30, 2019, the Fourth Judicial District Court reported total inflows of \$1,110,875 for its proportionate share of the net pension liability in the following retirement plans:

Louisiana State Employees’ Retirement System (LASERS)	\$ 1,058,902
Parochial Employees’ Retirement System of Louisiana	51,973
Louisiana Clerks’ of Court Retirement and Relief Fund	-
Total	<u>\$ 1,110,875</u>

A. LOUISIANA STATE EMPLOYEES’ RETIREMENT SYSTEM (LASERS)

Pensions: For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees’ Retirement System (LASERS) and additions to/deductions from LASERS’ fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description: Employees of the Fourth Judicial District Court, Judicial Expense Fund are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees’ Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

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

Retirement: The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member’s hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, house clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Deferred Retirement Benefits: 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. 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.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

Disability Benefits: Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 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 in order 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 aforementioned minimum service credit 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.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence, regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

Permanent Benefit Increases/Cost-of-Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Employer Contributions: Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2019 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Appellate law clerks	Closed	7.50%	37.90%
Appellate law clerks hired on or after 7/1/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	31.40%
Bridge police	Closed	8.50%	36.70%
Bridge police hired on or after 7/1/06	Closed	8.50%	36.70%
Corrections primary	Closed	9.00%	33.50%
Corrections secondary	Closed	9.00%	37.70%
Harbor police	Closed	9.00%	7.10%
Hazardous duty	Open	9.50%	38.50%
Judges hired before 1/1/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.00%
Judges hired on or after 7/1/15	Open	13.00%	39.00%
Legislators	Closed	11.50%	41.60%
Optional retirement plan (ORP) before 7/1/06*	Closed	7.50%	33.10%
Optional retirement plan (ORP) on or after 7/1/06*	Closed	8.00%	33.10%
Peace officers	Closed	9.00%	36.70%
Regular employees hired before 7/1/06	Closed	7.50%	37.90%
Regular employees hired on or after 7/1/06	Closed	8.00%	37.90%
Regular employees hired on or after 1/1/11	Closed	8.00%	37.90%
Regular employees hired on or after 7/1/15	Open	8.00%	37.90%
Special legislative employees	Closed	9.50%	43.60%
Wildlife agents	Closed	9.50%	46.30%
Aggregate rate			37.90%

* For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate of 33.1% for 2019.

The agency's contractually required composite contribution rate for the year ended June 30, 2019 was 37.9% and 37.9% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$190,272 for the year ended June 30, 2019.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

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

At June 30, 2019, the employer reported a liability of \$1,575,471 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency'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. At June 30, 2018, the Agency's proportion was 0.2310%, which was a decrease of 0.00568% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Agency recognized pension expense of \$128,619 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$240,091 for 2019.

At June 30, 2019, the Agency reported deferred outflows of resources and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (17,667)
Changes in assumptions	16,032	-
Net difference between projected and actual earnings on pension plan investments	20,429	-
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources.	829,082	(1,041,235)
Employer contributions subsequent to the measurement date	<u>190,272</u>	<u>-</u>
Total	<u>\$ 1,055,815</u>	<u>\$ (1,058,902)</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

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

\$190,272 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2019	\$ (51,709)
2020	\$ (97,383)
2021	\$ (38,502)
2022	\$ (5,766)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, is as follows:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Expected remaining service lives	3 years
Investment rate of return	7.65% per annum, net of investment expenses*
Inflation rate	2.75% per annum
Mortality	Nondisabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. 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 5-year (2009-2013) experience study of the System's members.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES’ RETIREMENT SYSTEM (LASERS) (continued)

Salary increases

Salary increases were projected based on a 2009-2013 experience study of the System’s members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous duty	3.4%	14.3%
Wildlife	3.4%	14.3%

Cost of living adjustments

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

* The investment rate of return used in the actuarial valuation for funding purposes was 8.05%, recognizing an additional 40 basis points for gain sharing and 15 points to offset administrative expenses.

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 of 3.25% and an adjustment for the effect of re-balancing/diversification. The resulting expected long-term rate of return is 8.83% for 2018. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Cash	-%	(0.48%)
Domestic equity	25%	4.31%
International equity	32%	5.26%
Domestic fixed income	8%	1.49%
International fixed income	6%	2.23%
Alternative investments	22%	7.67%
Risk parity	-%	4.96%
Total	100%	5.40%

* For reference only: Presented in LASERS 2018 CAFR, Long-Term Expected Real Rate of Return, Page 35.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

A. LOUISIANA STATE EMPLOYEES’ RETIREMENT SYSTEM (LASERS) (continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer’s proportionate share of the net pension liability using the discount rate of 7.65%, as well as what the Employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

	Changes in Discount Rate – 2018		
	1% Decrease	Current	1% Increase
	6.65%	Discount Rate 7.65%	8.65%
Employer’s proportionate share of the Net Pension Liability	\$ 1,988,350	\$ 1,575,471	\$ 1,219,882

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at www.lasersonline.org/site.php.

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2018, were recognized in the current reporting period as pension expense except as follows:

Differences Between Expected and Actual Experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ -	\$ 45,163,231	\$ (15,054,410)	\$ -	\$ 30,108,821
2017	-	92,739,291	(46,369,646)	-	46,369,645
2016	-	36,414,702	(36,414,702)	-	-
			Totals	\$ -	\$ 76,478,466

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
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NOTE 6 - PENSION PLANS (continued)

B. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS) (continued)

Differences Between Projected and Actual Investment Earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources and pension benefit as of June 30, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018		Net Deferred Outflows Balance
				Deferred Outflows	Deferred Inflows	
2018	\$ -	\$ 124,798,427	\$ (24,959,685)	\$ -	\$ (99,838,742)	\$ (99,838,742)
2017	-	566,832,470	(141,708,117)	-	(425,124,353)	(425,124,353)
2016	699,916,007	-	233,305,336	466,610,671	-	466,610,671
2015	293,568,518	-	146,784,259	146,784,259	-	146,784,259
2014	-	197,762,647	(197,762,647)	-	-	-
			Totals	\$ 613,394,930	\$ (524,963,095)	\$ 88,431,835

Changes in Actuarial Assumptions: Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes in actuarial assumptions resulted in a deferred outflow of resources as of June 30, 2018 as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ 83,241,388	\$ -	\$ 27,747,129	\$ 55,494,259	\$ -
2017	27,807,841	-	13,903,920	13,903,921	-
			Totals	\$ 69,398,180	\$ -

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

Plan Description: The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have its own retirement system, and which elects to become members of the System. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements: All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits: Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: Upon the death of any member of with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Survivor Benefits: A surviving spouse who is not eligible for Social Security survivorship or retirement benefits and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits: A member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

Cost of Living Increases: The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES’ RETIREMENT SYSTEM OF LOUISIANA (continued)

Employer Contributions: According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member’s compensation. However, the actual rate for the fiscal year ending December 31, 2018, was 11.50%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned in proportion to the member’s compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Schedule of Employer Allocations: The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees’ Retirement System of Louisiana. The employer’s proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer’s proportionate share of the pension amounts.

The allocation method used in determining each employer’s proportion was based on each employer’s contributions to the plan during the fiscal year ended December 31, 2018 as compared to the total of all employers’ contributions received by the plan during the fiscal year ended December 31, 2018.

Schedule of Pension Amounts by Employer: The schedule of pension amounts by employer displays each employer’s allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the Schedule of Employer Allocations.

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

At June 30, 2019, the Employer reported a liability of \$866,646 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018 and the total pension asset used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency’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. At December 31, 2018, the Agency’s proportion was 0.195263%, which was a decrease of 0.004543% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Agency recognized pension expense of \$336,775 less employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$120,860 for 2019.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES’ RETIREMENT SYSTEM OF LOUISIANA (continued)

At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ (52,798)
Changes in assumptions	216,690	
Difference between projected and actual earnings on pension plan investments	414,869	(823)
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources.	5,819	1,648
Employer contributions subsequent to the measurement date	<u>74,898</u>	
Total	<u>\$ 712,276</u>	<u>\$ (51,973)</u>

\$74,898 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$ 201,323
2020	\$ 110,653
2021	\$ 90,654
2022	\$ 183,267

Actuarial Methods and Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service, less the amount of the pension plan’s fiduciary net position.

The components of the net pension liability (asset) of the System’s employers as of December 31, 2018, are as follows:

Total Pension Liability	\$ 3,984,796,378
Plan Fiduciary Net Pension	<u>3,540,960,468</u>
Total Net Pension Liability	<u>\$ 443,835,910</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Actuarial Methods and Assumptions (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, is as follows:

Valuation date	December 31, 2018
Actuarial cost method	Entry age normal
Investment rate of return	6.50%, net of investment expenses, including inflation
Expected remaining service lives	4 years
Projected salary increases	4.75%
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 present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Inflation rate	2.40%

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System'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.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset 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 of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Total	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

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JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Sensitivity of Changes in Discount Rate: The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 6.50%, as well as what the employer's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% than the current rate.

	Changes in Discount Rate - 2018		
	1% Decrease	Current	1% Increase
	5.50%	Discount Rate 6.50%	7.50%
Employer's proportionate share of the Net Pension Liability (asset)	\$ 1,840,523	\$ 866,646	\$ 52,569

Change in Net Pension Liability: The changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

Differences Between Expected and Actual Experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources as of December 31, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	December 31, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ -	\$ 4,746,111	\$ (1,186,528)	\$ -	\$ 3,559,583
2017	-	30,469,816	(10,156,605)	-	20,313,211
2016	-	6,333,726	(3,166,864)	-	3,166,861
2015	-	11,243,801	(11,243,801)	-	-
			Totals	\$ -	\$ 27,039,655

Differences Between Projected and Actual Investment Earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources and a pension expense as of December 31, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	December 31, 2018		
				Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2018	\$ 469,282,812	\$ -	\$ 93,856,562	\$ 375,426,250	\$ -	\$ 375,426,250
2017	-	271,861,024	(67,965,256)	-	203,895,768	(203,895,768)
2016	-	12,954,221	(4,318,074)	-	8,636,147	(8,636,147)
2015	99,142,753	-	49,571,376	49,571,377	-	49,571,377
2014	14,192,017	-	14,192,017	-	-	-
			Totals	\$ 424,997,627	\$ 212,531,915	\$ 212,465,712

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (continued)

Changes of Assumptions: The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. The changes of assumption or other inputs resulted in deferred outflows of resources and a pension expense as of December 31, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	December 31, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ 82,069,583	\$ -	\$ 20,517,396	\$ 61,552,187	\$ -
2017	74,132,018	-	24,710,673	49,421,345	-
2016	-	-	-	-	-
2015	19,550,506	-	19,550,506	-	-
			Totals	\$ 110,973,532	\$ -

Change in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of December 31, 2018.

Contributions - Proportionate Share: Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report: Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Estimates: The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND

Plan Description: 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 Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement Benefits: A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 65 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3 $\frac{1}{4}$ % for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement. For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Disability Benefits: Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with 10 or more years of credible service who are totally disabled due to any cause. A member who is officially certified as totally or permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or 75% of their monthly regular retirement benefit computed as per R.S. 11:1521 (C).

Survivor Benefits: If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic Option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $\frac{1}{4}$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 – PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

Survivor Benefits (continued): If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $\frac{1}{2}$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic Option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

Deferred Retirement Option Plan: In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan (DROP) for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation the plan.

The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. Interest earnings are based on the actual rate of return on funds in such accounts. Interest accruals cease upon termination of employment. Upon termination, the member receives a lump sum payment from the DROP Fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP Fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation.

Upon termination, the member receives a lump sum payments from the DROP fund equal to the payments made to that fund on his behalf or a true annuity based in his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. Prior to January 1, 2011, the average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least 36 months. Effective January 1, 2011, the average compensation for members whose additional service is less than 36 months is equal to the lesser amount used to calculate hid original benefit or the compensation earned in the period of additional service divided by the number of months of additional service. For former DROP participants who retire after December 30, 2010, the period used to determine final average compensation for post-DROP service is 36 months plus the number of whole months elapsed from January 1, 2011 to the date of DROP entry. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

Cost of Living Adjustments: The Board of Trustees is authorized to provide a cost of living increase to members and widows of members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allow the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later. In order to grant the 2.5% COLA, the increase in the consumer price index must have exceeded 3% since the last COLA granted. In order for the Board to grant either of these increases, the Fund must meet certain other criteria as detailed in the Louisiana statute relating to funding status.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the Board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

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

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2018, the actual employer contribution rate was 19%.

In accordance with state statute, the Fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from nonemployer contributing entities. Nonemployer contributions are recognized as revenue during the year and excluded from pension expense. Nonemployer contribution revenue for the System for the year ended June 30, 2018, was \$10,969,148.

At June 30, 2019, the Employer reported a liability of \$0 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Agency'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. At June 30, 2019, the Court no longer had employees participating in the plan.

For the year ended June 30, 2019, the Agency recognized a pension expense adjustment of (\$66,438).

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

At June 30, 2019, the Agency reported deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,214	\$ (824)
Changes in assumptions	8,668	-
Difference between projected and actual earnings on pension plan investments	1,592	-
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources.	(16,930)	824
Employer contributions subsequent to the measurement date	<u>4,456</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>

\$4,456 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>		
2019	\$	-
2020	\$	-
2021	\$	-
2022	\$	-

Actuarial Methods and Assumptions: The Net Pension Liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the Fund's participating employers as of June 30, 2018 are as follows:

	<u>2018</u>
Total Pension Liability	\$ 794,767,702
Plan Fiduciary Net Pension	<u>628,437,651</u>
Total Net Pension Liability	<u>\$ 166,330,051</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

Actuarial Methods and Assumptions (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018, are as follows:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	6.75%, net of investment expense, including inflation.
Projected salary increases	5.00%
Inflation rate	2.50%
Mortality rates	RP-2000 Employee Table (set back 4 years for males and 3 years for females)/RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females)/RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females.
Expected remaining service lives	2018 - 5 years 2017 - 5 years 2016 - 5 years 2015 - 5 years 2014 - 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 substantively automatic.

The actuarial assumptions used are based on the assumptions used in the 2018 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2009 - June 30, 2014, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

Actuarial Methods and Assumptions (continued)

The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 7.10%, for the year ended June 30, 2018.

The best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2018, is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Fixed income		
Core fixed income	5.0%	1.75%
Core plus fixed income	15.0%	2.00%
Domestic equity		
Large cap domestic equity	21.0%	4.50%
Non-large cap domestic equity	7.0%	4.75%
International equity		
Large cap international equity	14.0%	4.75%
Small cap international equity	6.5%	4.50%
Emerging markets	6.5%	6.25%
Real estate	10.0%	4.00%
Master limited partnerships	5.0%	6.00%
Hedge fund	10.0%	3.50%
Total	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund'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.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate as of June 30, 2018.

	Changes in Discount Rate - 2018		
	1% Decrease	Current	1% Increase
	5.75%	Discount Rate 6.75%	7.75%
Employer's proportionate share of the Net Pension Liability (asset)	\$ -	\$ -	\$ -

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2018, were recognized in the current reporting period as pension expense except as follows:

Differences Between Expected and Actual Experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ 1,369,822	\$ -	\$ 273,964	\$ 1,095,858	\$ -
2017	3,165,856	-	791,464	2,374,392	-
2016	1,415,947	-	471,982	943,965	-
2015	-	3,286,276	(1,643,138)	-	1,643,138
2014	-	683,729	(683,731)	-	-
			Totals	\$ 4,414,215	\$ 1,643,138

Differences Between Projected and Actual Investment Earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources and pension benefit as of June 30, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018		
				Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2018	\$ 226,356	\$ -	\$ 45,271	\$ 181,085	\$ -	\$ 181,085
2017	-	24,614,459	(6,153,615)	-	18,460,844	(18,460,844)
2016	25,114,862	-	8,371,621	16,743,241	-	16,743,241
2015	9,422,935	-	4,711,467	4,711,468	-	4,711,468
2014	-	7,851,358	(7,851,358)	-	-	-
			Totals	\$ 21,635,794	\$ 18,460,844	\$ 3,174,950

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6 - PENSION PLANS (continued)

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND (continued)

Changes of Assumptions or Other Inputs: Changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in deferred outflows of resources and pension expense as of June 30, 2018, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2018	
				Deferred Outflows	Deferred Inflows
2018	\$ 19,347,376	\$ -	\$ 3,869,475	\$ 15,477,901	\$ -
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	3,606,496	-	1,803,247	1,803,249	-
2014	2,991,922	-	2,991,922	-	-
			Totals	<u>\$ 17,281,150</u>	<u>\$ -</u>

Change in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions - Proportionate Share: Differences between contributions remitted to the Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the Fund and contributions reported by the participating employer.

Retirement Fund Audit Report: The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a standalone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lia.la.gov.

Estimates: The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 – POST-RETIREMENT BENEFIT PLAN

The Court adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* for the year ended June 30, 2018. Statement No. 75 addresses accounting and financial reporting for other postemployment benefits (OPEB) for health care and life insurance that are provided to employees of state and local governmental employers. In addition, Statement No. 75 supersedes GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*. Most significantly, the Court is required to recognize the remaining liability for its proportionate share of the OPEB liability of the State of Louisiana’s retiree health plans.

Plan Description: The Court is a participant in the State of Louisiana Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The State administers the plan through the Office of Group Benefits. Louisiana Revised Statutes 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy’s website at www.doa.la.gov/osrap.

Funding Progress: There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2019. The plan is funded on a “pay-as-you-go” basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

The contribution requirements of plan members and the Court are established and may be amended by La R.S. 42:801-883. Employer contributions are based on plan premiums and the employer contributions percentage. Premium amounts vary depending on the health plan selected and if the retired member has Medicare coverage. OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans.

The employer contribution percentage is based on the date of participation in an OGB plan and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65, who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer and retiree is based on the following schedule:

<u>Service</u>	<u>Employer Percentage</u>	<u>Employee Percentage</u>
Under 10 years	81%	19%
10-14 years	62%	38%
15-19 years	44%	56%
20+ years	25%	75%

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7 POST-RETIREMENT BENEFIT PLAN (continued)

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability

At June 30, 2019, the Court reported a liability of \$1,777,668 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date. The Court's proportionate share of the total collective OPEB liability at June 30, 2018, totaling \$1,867,884 was determined using a roll back of the same valuation to July 1, 2017, using the discount rate applicable on that date, and assuming no experience gains or losses.

The total collective OPEB liability in the July 1, 2018, actuarial valuation was determined using the following actuarial methods, assumptions, and other inputs applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method - entry age normal, level percentage of pay
- Estimated remaining service lives - 4.48
- Inflation rate - Consumer Price Index (CPI) - 2.8%
- Salary increase rate - consistent with the State of Louisiana's pension plan
- Discount rate - 2.98% based on the June 29, 2018 S & P's 20-year municipal bond index
- Mortality rate - based on the RP-2014 Combined Healthy Mortality Table, or RP-2014 Disabled Retiree Mortality Table; both tables projected on fully generated basis by Mortality Improvement Scale MP-2017
- Healthcare cost trend rates - 7% for pre-Medicare eligible employees grading down by 0.25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029; 5.5% for post-Medicare eligible employees grading down by 0.25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2023-2024 and thereafter; the initial trend was developed using the National Health Care Trend Survey; the ultimate trend was developed using a building-block approach which considers the Consumer Price Index, gross domestic product, and technology growth.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13% as of July 1, 2017, to 2.98% as of July 1, 2018.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 POST-RETIREMENT BENEFIT PLAN (continued)

Schedule of Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability, beginning of year	\$ 1,867,884
Changes for the year:	
Service cost	\$ 38,125
Interest	59,017
Changes in benefit terms	-
Differences between expected used actual experience:	(77,312)
Changes of assumptions or other input	(68,749)
Benefit payments	<u>(41,297)</u>
Net changes	<u>\$ (90,216)</u>
Total OPEB liability, end of year	<u>\$ 1,777,668</u>

There were seven (7) inactive employees currently receiving benefit payment during the year ended June 30, 2019.

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate

The following presents the Court's proportionate share of the total collective OPEB liability using the current discount rate as well as what the Court's proportionate share of the total collective 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:

	<u>1% Decrease (1.98%)</u>	<u>Current Discount Rate (2.98%)</u>	<u>1% Increase (3.98%)</u>
Proportionate share of total collective OPEB liability	<u>\$ 2,073,359</u>	<u>\$ 1,777,668</u>	<u>\$ 1,540,925</u>

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Court's proportionate share of the total collective OPEB liability using the current healthcare cost trend rates as well as what the Court'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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Proportionate share of total collective OPEB liability	<u>\$ 1,539,172</u>	<u>\$ 1,777,668</u>	<u>\$ 2,075,141</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 POST-RETIREMENT BENEFIT PLAN (continued)

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

For the year ended June 30, 2019, the Court recognized OPEB expense of \$44,141. At June 30, 2019, the Court reported deferred outflows of resources and deferred inflows related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 61,205
Changes in assumptions	-	132,072
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ 193,277</u>

Deferred outflows of resources related to OPEB resulting from the Court's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	
2020	\$ (53,001)
2021	(53,001)
2022	(53,001)
2023	(34,274)
2024	<u>-</u>
	<u>\$ (193,277)</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8 – DUE TO OTHER GOVERNMENTAL UNITS

Accounts due to other governmental units consist of the following:

General Fund

Judicial Expense Fund

Ouachita Parish District Attorney – State of Louisiana	\$ 7,754
Ouachita Parish Police Jury – State of Louisiana	<u>87,701</u>
Total general fund	<u>\$ 95,455</u>

Special Revenue Funds

Child Support Fund

Ouachita Parish Police Jury – State of Louisiana	\$ 28,581
Court Services Fund (Misdemeanor, Drug Court, and Juvenile Drug Court)	
Ouachita Parish Police Jury – State of Louisiana	87,770
Supreme Court, Justice Department– State of Louisiana	<u>350</u>
Total special revenue funds	<u>\$ 116,701</u>

NOTE 9 – COMPENSATED ABSENCES

At June 30, 2019, employees of the Fourth Judicial District Court have accumulated and vested \$108,568 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$13,382 is recorded as an obligation of the General Fund and \$95,186 is recorded as an obligation of the Special Revenue Funds.

NOTE 10 – CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Agency Funds:				
Misdemeanor Probation Fund				
Ouachita Parish Sheriff's Department – Monroe, Louisiana	\$ -	\$ 9,447	\$ (9,447)	\$ -
Indigent Defender Board – Monroe, Louisiana	-	58,368	(58,368)	-
Criminal Court Fund – Monroe, Louisiana	-	7,815	(7,815)	-
Restitution recipients, Fourth District – State of Louisiana	-	<u>68,842</u>	<u>(68,842)</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ 144,472</u>	<u>\$ (144,472)</u>	<u>\$ -</u>

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 - JOINT VENTURES

The Child Support Fund has entered into agreements with the Ouachita Parish Police Jury, Ouachita Clerk of Court, and the Morehouse Clerk of Court for reimbursement of salaries, payroll taxes, group insurance, retirement and workman's compensation related to employees. The Misdemeanor Probation Fund and Drug Court Fund have also entered into agreements with the Ouachita Parish Police Jury for reimbursement of salaries, payroll taxes, group insurance, retirement and workman's compensation related to employees. The Ouachita Parish Police Jury and Morehouse Parish Police Jury are reimbursed one dollar per page per case filed by those offices for costs directly related to the indigent cases of the Judicial Expense Fund included in these financial statements as a General Fund expense. As the Fourth Judicial District Court, Child Support Fund, Misdemeanor Probation Fund, and Drug Court Fund reimburses the other governmental units, the appropriate expense accounts are debited and reflected in the financial statements.

NOTE 12 - GRANT PROGRAMS

Families in Need of Services (FINS)

The Court was ordered to furnish the administration and implementation of Families In Need of Services, per Title VII of the Louisiana Children's Code, within the Fourth Judicial District, State of Louisiana.

Effective April 1, 2007 the Court entered into a contract with the Ouachita Parish District Attorney to administer the program.

The Fourth Judicial District Court, Judicial Expense Fund, continues to participate in another contract with the Louisiana Supreme Court, State of Louisiana under the "Families In Need of Services Program" (FINS). The contract was continued for the period beginning July 1, 2018 until June 30, 2019 and funded monthly from July 1, 2018 until June 30, 2019 for \$51,372.

The total expenditures of the Fourth Judicial District Court, Judicial Expense Fund related to the FINS program was \$51,372 for the fiscal year ended June 30, 2019.

Temporary Assistance for Needy Families (TANF)

The Fourth Judicial District Court, Court Services Fund, has been awarded from the Supreme Court of Louisiana, Drug Court Program funds that include federal grants totaling \$142,139 during the fiscal year ended June 30, 2019 from the "Temporary Assistance for Needy Families" (TANF) program for the Adult Drug Court program.

The total expenditures of the Fourth Judicial District Court related to this "Adult Drug Court" program were \$142,139 for the fiscal year ending June 30, 2019.

The Fourth Judicial District Court, Juvenile Drug Court Fund, has been awarded from the Supreme Court of Louisiana, Drug Court Program funds that include federal grants totaling \$120,000 during the fiscal year ended June 30, 2019 from the "Temporary Assistance for Needy Families" (TANF) program.

The total expenditures of the Fourth Judicial District Court related to this program were \$123,334 for the fiscal year ending June 30, 2019.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 13 - RISK MANAGEMENT

The Fourth Judicial District Court, Judicial Expense Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Fourth Judicial District Court, Judicial Expense Fund carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 14 - SUBSEQUENT EVENTS

There were no significant events subsequent to June 30, 2019. Management has evaluated subsequent events through December 16, 2019, the date which the financial statements were available for release.

SECTION IV
REQUIRED SUPPLEMENTARY INFORMATION (PART B)

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
(JUDICIAL EXPENSE FUND)
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fees - Ouachita Parish	\$ 232,800	\$ 205,100	\$ 202,833	\$ (2,267)
Court fees - Morehouse Parish	39,100	32,500	31,512	(988)
Grant revenue	51,372	51,372	51,372	-
Warrant revenue	1,083,150	1,116,600	1,115,786	(814)
Interest income	3,220	4,740	4,737	(3)
Other income	2,495	1,440	1,440	-
Total revenues	\$ 1,412,137	\$ 1,411,752	\$ 1,407,680	\$ (4,072)
Expenditures				
Asset expenditures	\$ 80,000	\$ 120,800	\$ 117,439	\$ (3,361)
Small asset expenditures	1,300	9,800	9,108	(692)
Court reporter costs	2,200	4,000	4,640	640
Insurance expense	220,890	226,530	225,005	(1,525)
Internet access	5,536	8,200	8,171	(29)
Miscellaneous	2,730	3,220	3,307	87
Office supplies and postage	15,941	14,512	14,648	136
Payroll taxes	14,150	15,760	15,752	(8)
Professional fees	58,825	72,750	69,806	(2,944)
Reference materials and dues	3,500	2,200	2,603	403
Rent	13,650	14,300	14,247	(53)
Repair, maintenance, and warranty	4,300	3,150	4,709	1,559
Retirement expense	199,100	204,180	204,063	(117)
Salaries	885,190	946,115	950,036	3,921
Seminars, meetings, and travel	61,200	67,000	74,373	7,373
Telephone expense	7,815	5,100	5,151	51
Total expenditures	\$ 1,576,327	\$ 1,717,617	\$ 1,723,058	\$ 5,441
Excess (deficiency) of revenues over expenditures	\$ (164,190)	\$ (305,865)	\$ (315,378)	\$ (9,513)
Other financing sources (uses)				
Operating transfers in	\$ 80,000	\$ 334,000	\$ 334,000	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ 80,000	\$ 334,000	\$ 334,000	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ (84,190)	\$ 28,135	\$ 18,622	\$ (9,513)
Fund balance - beginning	333,494	333,494	333,494	-
Fund balance - ending	\$ 249,304	\$ 361,629	\$ 352,116	\$ (9,513)

See Independent Auditors' Report

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(CHILD SUPPORT FUND)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fees	\$ 770,000	\$ 748,000	\$ 742,678	\$ (5,322)
Interest income	6,215	9,155	9,157	2
Transfers from other funds	-	-	-	-
Total revenues	\$ 776,215	\$ 757,155	\$ 751,835	\$ (5,320)
Expenditures				
Asset expenditures	\$ -	\$ -	\$ -	\$ -
Small asset expenditures	1,400	2,000	2,113	113
Court reporter costs	-	25	25	
Insurance expense	73,100	71,100	69,206	(1,894)
Internet access	1,530	1,530	1,529	(1)
Miscellaneous	1,100	1,100	1,241	141
Payroll taxes	9,900	10,100	10,072	(28)
Professional fees	36,025	35,400	35,361	(39)
Reference materials and dues	67,500	68,100	66,468	(1,632)
Rent	8,000	8,000	7,893	(107)
Repair, maintenance, and warranty	1,460	1,650	1,648	(2)
Retirement expense	86,585	62,400	62,364	(36)
Salaries	498,500	508,500	512,387	3,887
Seminars, meetings, and travel	4,500	6,000	5,546	(454)
Supplies	2,700	1,600	1,538	(62)
Telephone and utility expense	700	615	613	(2)
Total expenditures	\$ 793,000	\$ 778,120	\$ 778,004	\$ (116)
Excess (deficiency) of revenues over expenditures	\$ (16,785)	\$ (20,965)	\$ (26,169)	\$ (5,204)
Fund balance - beginning	716,926	716,926	716,926	-
Fund balance - ending	\$ 700,141	\$ 695,961	\$ 690,757	\$ (5,204)

See Independent Auditors' Report

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(MISDEMEANOR PROBATION FUND)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fees	\$ 658,125	\$ 730,350	\$ 724,067	\$ (6,283)
Interest income	5,110	8,160	8,165	5
Transfers from other funds	-	-	-	-
Total revenues	\$ 663,235	\$ 738,510	\$ 732,232	\$ (6,278)
Expenditures				
Asset expenditures	\$ -	\$ -	\$ -	\$ -
Small asset expenditures	-	-	-	-
Court reporter costs	-	-	-	-
Insurance expense	96,500	83,100	82,362	(738)
Internet access	2,250	2,675	2,685	10
Miscellaneous	1,125	2,057	1,928	(129)
Postage	4,900	4,250	4,181	(69)
Payroll taxes	7,750	6,450	6,441	(9)
Professional fees	38,500	21,400	22,082	682
Reference materials and dues	980	1,050	1,047	(3)
Rent	12,200	12,240	12,622	382
Repair, maintenance, and warranty	16,500	16,750	16,719	(31)
Retirement expense	61,400	53,100	53,071	(29)
Salaries	507,500	454,900	452,107	(2,793)
Seminars, meetings, and travel	2,700	2,370	2,180	(190)
Supplies	8,230	6,060	7,105	1,045
Telephone and utility expense	6,300	2,500	2,315	(185)
Total expenditures	\$ 766,835	\$ 668,902	\$ 666,845	\$ (2,057)
Excess (deficiency) of revenues over expenditures	\$ (103,600)	\$ 69,608	\$ 65,387	\$ (4,221)
Fund balance - beginning	273,315	273,315	273,315	-
Fund balance - ending	\$ 169,715	\$ 342,923	\$ 338,702	\$ (4,221)

See Independent Auditors' Report

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amount		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Drug screen fees	\$ 51,000	\$ 51,000	\$ 46,608	\$ (4,392)
Supreme court	329,000	238,000	237,861	(139)
Supreme court - TANF	91,000	142,000	142,139	139
Other Income	-	-	373	373
Total revenues	\$ 471,000	\$ 431,000	\$ 426,981	\$ (4,019)
Expenditures				
Small asset expenditures	\$ 170	\$ 190	\$ 190	\$ -
Insurance expense	25,600	21,550	21,550	-
Internet access	580	580	538	(42)
Payroll taxes	1,600	1,175	1,163	(12)
Professional fees	185,800	181,505	180,754	(751)
Reference materials and dues	-	350	350	-
Retirement expense	14,500	10,300	10,288	(12)
Salaries	120,000	89,500	89,406	(94)
Seminars, meetings, and travel	7,800	6,525	5,692	(833)
Supplies	116,820	85,072	85,033	(39)
Total expenditures	\$ 472,870	\$ 396,747	\$ 394,964	\$ (1,783)
Excess (deficiency) of revenues over expenditures	\$ (1,870)	\$ 34,253	\$ 32,017	\$ (2,236)
Fund balance - beginning	147,796	147,796	147,796	-
Fund balance - ending	\$ 145,926	\$ 182,049	\$ 179,813	\$ (2,236)

See Independent Auditors' Report

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(JUVENILE DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amount		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Drug screen fees	\$ 420	\$ 390	\$ 360	\$ (30)
Supreme court - TANF	120,000	120,000	120,000	-
Interest income	20	12	12	-
Other income	-	84	84	-
Total revenues	\$ 120,440	\$ 120,486	\$ 120,456	\$ (30)
Expenditures				
Insurance expense	\$ 5,600	\$ 5,815	\$ 5,865	\$ 50
Internet access	-	121	121	-
Miscellaneous	-	-	350	350
Office supplies and postage	-	78	129	51
Payroll taxes	560	575	573	(2)
Professional fees	54,800	56,450	56,442	(8)
Reference materials and dues	-	50	50	-
Retirement expense	5,150	4,800	4,737	(63)
Salaries	40,640	41,200	41,384	184
Seminars, meetings, and travel	1,600	814	703	(111)
Supplies	11,650	14,400	12,980	(1,420)
Total expenditures	\$ 120,000	\$ 124,303	\$ 123,334	\$ (969)
Excess (deficiency) of revenues over expenditures	\$ 440	\$ (3,817)	\$ (2,878)	\$ 939
Fund balance - beginning	(16,746)	(16,746)	(16,746)	-
Fund balance - ending	\$ (16,306)	\$ (20,563)	\$ (19,624)	\$ 939

See Independent Auditors' Report

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019**

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS)

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.023100%	0.02878%	0.02822%	0.03213%	0.0003841%
Employer's proportionate share of the net pension	\$ 1,575,471	\$ 2,025,986	\$ 2,216,304	\$ 2,185,121	\$ 2,401,548
Employer's covered employee payroll	\$ 697,805	\$ 530,660	\$ 665,869	\$ 609,748	\$ 705,740
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	226%	382%	333%	358%	340%
Plan fiduciary net position as a percentage of the total pension liability	64.3%	62.5%	57.7%	62.7%	65.0%

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

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.195263%	0.19072%	0.2330%	0.2152%	0.1892%
Employer's proportionate share of the net pension liability (asset)	\$ 866,646	\$ (141,561)	\$ 479,871	\$ 566,352	\$ 51,718
Employer's covered employee payroll	\$ 1,170,496	\$ 1,173,912	\$ 1,381,831	\$ 1,292,676	\$ 1,242,323
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	74.04%	(12.06%)	34.72%	43.81%	4.16%
Plan fiduciary net position as a percentage of the total pension liability	88.90%	102.00%	94.10%	92.23%	99.15%

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

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.00000%	0.04903%	0.046574%	0.046973%	0.0400%
Employer's proportionate share of the net pension liability (asset)	\$ -	\$ 74,179	\$ 86,162	\$ 70,461	\$ 51,269
Employer's covered employee payroll	\$ -	\$ 32,469	\$ 30,840	\$ 28,640	\$ 29,510
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	0.00%	228.46%	279.38%	246.02%	173.70%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	18.30%	18.30%	17.90%	20.62%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See Independent Auditors' Report*

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S CONTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2019**

A. LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM (LASERS)

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 169,438	\$ 203,390	\$ 213,438	\$ 202,820	\$ 233,460	\$ 236,266
Contributions in relation to contractually required contributions	190,272	214,090	213,438	224,359	249,993	254,614
Contribution deficiency (excess)	<u>\$ (20,834)</u>	<u>\$ (10,700)</u>	<u>\$ -</u>	<u>\$ (21,539)</u>	<u>\$ (16,533)</u>	<u>\$ (18,348)</u>
Employer's covered employee payroll	\$ 710,942	\$ 697,805	\$ 530,660	\$ 665,869	\$ 609,748	\$ 705,740
Contributions as a percent of covered employee payroll	26.8%	30.7%	40.2%	33.7%	41.0%	36.1%

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

B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 134,607	\$ 146,739	\$ 180,417	\$ 233,460	\$ 170,323	\$ 182,481
Contributions in relation to contractually required contributions	134,762	146,739	179,638	180,151	178,874	182,481
Contribution deficiency (excess)	<u>\$ (155)</u>	<u>\$ -</u>	<u>\$ 779</u>	<u>\$ 53,309</u>	<u>\$ (8,551)</u>	<u>\$ -</u>
Employer's covered employee payroll	\$ 1,170,496	\$ 1,173,912	\$ 1,381,831	\$ 1,292,676	\$ 1,242,323	\$ 1,424,838
Contributions as a percent of covered employee payroll	11.5%	12.5%	13.0%	13.9%	14.4%	12.8%

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

C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,456	\$ 8,848	\$ 8,404	\$ 8,077	\$ 7,804	\$ 7,287
Contributions in relation to contractually required contributions	4,456	8,848	8,404	8,077	7,804	7,287
Contribution deficiency (excess)	<u>\$ -</u>					
Employer's covered employee payroll	\$ 16,354	\$ 32,469	\$ 30,840	\$ 28,640	\$ 29,510	\$ 28,640
Contributions as a percent of covered employee payroll	27.2%	27.3%	27.3%	28.2%	26.4%	25.4%

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

See Independent Auditors' Report

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE
OF THE TOTAL COLLECTIVE OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal Year *	The Court's proportion of the total collective OPEB liability	The Court's proportionate share of the total collective OPEB liability	The Court's covered payroll
2017	0.0%	\$ 1,937,928	\$ 532,837
2018	0.0%	\$ 1,867,884	\$ 697,805
2019	0.0%	\$ 1,777,668	\$ 546,981

* Amounts presented were determined as of the end of the Court's fiscal year.

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

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE OF EMPLOYER'S CONTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2019

Fiscal Year *	Statutorily required contribution	Contributions in relation to statutorily required contributions	Annual contribution deficiency (excess)
2017	\$ 40,969	\$ 40,969	\$ -
2018	\$ 41,297	\$ 41,297	\$ -
2019	\$ 41,297	\$ 41,297	\$ -

* Amounts presented were determined as of the end of the Court's fiscal year.

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

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

Pension Plans:

Changes of Benefit Terms

- A. Louisiana State Employees' Retirement System**
There were no changes in terms for the year ended June 30, 2019.

- B. Parochial Employees' Retirement System**
There were no changes of benefit terms for the year ended June 30, 2019.

- C. Louisiana Clerks' of Court Retirement and Relief Fund**
There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions

- A. Louisiana State Employees' Retirement System**
The discount rate has been decreased from 7.70% to 7.65% since the previous valuation.

- B. Parochial Employees' Retirement System**
For the actuarial valuation for the year ended December 31, 2018, the salary increase rate was reduced from 5.25% to 4.75%. The discount rate has been decreased from 6.75% to 6.50% from the actuarial valuation for the year ended December 31, 2018.

- C. Louisiana Clerks' of Court Retirement and Relief Fund**
There were no changes of benefit terms for the year ended June 30, 2019.

OPEB Schedules

There are no assets accumulated in a trust that meets the requirements, in paragraph 4 of GASB Statement 75, to pay related benefits.

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2019.

Changes of Assumptions

The discount rate has been decreased from 3.13% to 2.98% since the previous valuation. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 3.13% and 2.98% are based on the S & P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2018 and 2017, respectively. The discount rate used in the GASB 75 valuation was selected by the plan sponsor.

See Independent Auditors' Report.

CAMERON, HINES & COMPANY

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

The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Monroe, 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 component unit financial statements of the governmental activities and the aggregate remaining fund information and each major fund of the Fourth Judicial District Court, Judicial Expense Fund, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fourth Judicial District Court, Judicial Expense Fund's component unit financial statements and have issued our report thereon dated December 26, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court'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.

The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Page 2

Compliance and Other Matters

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

Purpose of this Report

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

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 26, 2019

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

Schedule of Findings and Responses
 For the Year Ended June 30, 2019

We have audited the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund as of and for the year ended June 30, 2019, and have issued our report thereon dated December 26, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
 Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

Section II- Financial Statement Findings

None

Section III- Federal Award Findings and Questioned Costs- N/A

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

There were no findings in the prior year report.

SECTION V
SUPPLEMENTARY INFORMATION

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE I - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS WITH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

Federal Grants/Pass Through Grantor/Program Title	Federal CFDA Number	Program Award Amount	Revenue Recognized	Expenditures
U.S. Department of Health and Human Services Passed through the Louisiana Supreme Court				
TANF Cluster:				
Temporary Assistance of Needy Families	93.558			
Adult drug court		\$ 142,139	\$ 142,139	\$ 142,139
Juvenile drug court		<u>120,000</u>	<u>120,000</u>	<u>\$ 123,334</u>
Total TANF Cluster		<u>\$ 262,139</u>	<u>\$ 262,139</u>	<u>\$ 265,473</u>
Total U.S. Department of Health and Human Services		<u>\$ 262,139</u>	<u>\$ 262,139</u>	<u>\$ 265,473</u>

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the Fourth Judicial District Court. The Fourth Judicial District Court's primary government reporting entity is defined in Note 1 of the Court's financial statements. All Federal awards received directly from Federal agencies, as well as Federal awards passed through other governmental agencies, are included on this schedule. The Fourth Judicial District Court did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Fourth Judicial District Court under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Fourth Judicial District Court, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Fourth Judicial District Court.

3. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. Fourth Judicial District Court does not utilize an indirect cost rate.

See Independent Auditors' Report.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE II - SCHEDULE OF JUDGES
FOR THE YEAR ENDED JUNE 30, 2019

Division A	Judge B. Scott Leehy
Division B	Judge Sharon I. Marchman
Division C	Judge Wilson Rambo
Division D	Judge H. Stephens Winters
Division E	Judge Frederic C. Amman
Division F	Judge C. Wendell Manning
Division G	Judge Marcus L. Hunter
Division H	Judge Larry Jefferson
Division I	Judge Alvin R. Sharp
Division J	Judge Robert C. Johnson
Division K	Chief Judge Daniel J. Ellender

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE III - BALANCE SHEET - SCHEDULE OF COMBINING ACCOUNTS
GENERAL FUND
JUNE 30, 2019

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Assets				
Cash and cash equivalents	\$ 377,556	\$ 45,650	\$ 44,661	\$ 467,867
Accounts receivable	-	-	85	85
Due from other governmental units	16,853	-	-	16,853
Prepaid expenses and deposits	781	-	2,037	2,818
Due from other funds	128	-	-	128
	<u>395,318</u>	<u>45,650</u>	<u>46,783</u>	<u>487,751</u>
Total assets	\$ 395,318	\$ 45,650	\$ 46,783	\$ 487,751
Deferred outflows of resources				
Deferred rent paid	\$ 62	\$ -	\$ -	\$ 62
Deferred maintenance costs	1,525	-	-	1,525
	<u>1,587</u>	<u>-</u>	<u>-</u>	<u>1,587</u>
Total deferred outflows of resources	\$ 1,587	\$ -	\$ -	\$ 1,587
Total assets and deferred outflows	\$ 396,905	\$ 45,650	\$ 46,783	\$ 489,338
Liabilities and fund balances				
Liabilities				
Accrued and other liabilities	\$ 20,981	\$ -	\$ 6,237	\$ 27,218
Due to other governmental units	24,227	7,754	63,474	95,455
Compensated absences payable	13,382	-	-	13,382
Due to other funds	1,167	-	-	1,167
	<u>59,757</u>	<u>7,754</u>	<u>69,711</u>	<u>137,222</u>
Total liabilities	\$ 59,757	\$ 7,754	\$ 69,711	\$ 137,222
Fund balances				
Nonspendable	\$ 2,368	\$ -	\$ 2,037	\$ 4,405
Restricted	-	37,896	-	37,896
Unassigned	334,780	-	(24,965)	309,815
	<u>337,148</u>	<u>37,896</u>	<u>(22,928)</u>	<u>352,116</u>
Total fund balances	\$ 337,148	\$ 37,896	\$ (22,928)	\$ 352,116
Total liabilities and fund balances	\$ 396,905	\$ 45,650	\$ 46,783	\$ 489,338

† After internal receivables and payables have been eliminated.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA
SCHEDULE IV - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SCHEDULE OF COMBINING ACCOUNTS GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Revenues				
Court fees - Ouachita Parish	\$ 199,249	\$ -	\$ -	\$ 199,249
Court fees - Morehouse Parish	31,512	-	-	31,512
Court fees - Probation Review Court	3,584	-	-	3,584
Grant revenue	-	51,372	-	51,372
Warrant revenue - Ouachita Parish	-	-	1,002,503	1,002,503
Warrant revenue - Morehouse Parish	-	-	113,283	113,283
Interest income	4,345	-	392	4,737
Other income	65	-	1,375	1,440
Total revenues	\$ 238,755	\$ 51,372	\$ 1,117,553	\$ 1,407,680
Expenditures				
Asset expenditures	\$ 117,439	\$ -	\$ -	\$ 117,439
Small asset expenditures	9,108	-	-	9,108
Court reporter costs	4,640	-	-	4,640
Insurance expense	50,599	5,176	169,230	225,005
Internet access	8,171	-	-	8,171
Miscellaneous	2,185	-	1,122	3,307
Office supplies and postage	9,013	5,635	-	14,648
Payroll taxes	2,926	431	12,395	15,752
Professional fees	64,391	1,675	3,740	69,806
Reference materials and dues	2,603	-	-	2,603
Rent	14,247	-	-	14,247
Repair, maintenance, and warranty	4,709	-	-	4,709
Retirement expense	22,476	3,680	177,907	204,063
Salaries	167,394	32,001	750,641	950,036
Seminars, meetings, and travel	71,599	2,774	-	74,373
Telephone expense	5,151	-	-	5,151
Total expenditures	\$ 556,651	\$ 51,372	\$ 1,115,035	\$ 1,723,058
Excess (deficiency) of revenues over expenditures	\$ (317,896)	\$ -	\$ 2,518	\$ (315,378)
Other financing sources (uses)				
Operating transfers in	\$ 334,000	\$ -	\$ -	\$ 334,000
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ 334,000	\$ -	\$ -	\$ 334,000
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$ 16,104	\$ -	\$ 2,518	\$ 18,622
Fund balance - beginning	321,044	37,896	(25,446)	333,494
Fund balance - ending	\$ 337,148	\$ 37,896	\$ (22,928)	\$ 352,116

See Independent Auditors' Report

**FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA
 SCHEDULE V - SCHEDULE OF COMPENSATION, BENEFITS, AND
 OTHER PAYMENTS TO AGENCY HEADS
 FOR THE YEAR ENDED JUNE 30, 2019**

**Chief Judge B. Scott Leehy
 (Chief Judge as of 01/01/17 - 12/31/18)**

<u>Purpose</u>	<u>Amount</u>
Per diem	\$ 1,416
Dues and subscriptions	\$ 795
Travel:	
Mileage	\$ 1,896
Lodging	\$ 2,389
Cell phone	\$ 365
Continuing education fees	\$ 575
Other reimbursements	\$ 1,048

**Chief Judge Daniel J. Ellender
 (Chief Judge as of 01/01/19 - 12/31/20)**

<u>Purpose</u>	<u>Amount</u>
Per diem	\$ 649
Dues and subscriptions	\$ 60
Travel:	
Mileage	\$ 6,203
Lodging	\$ 284
Cell phone	\$ 464
Continuing education fees	\$ 425
Other reimbursements	\$ 194

See Independent Auditors' Report.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Fourth Judicial District Court and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Fourth Judicial District Court (Court) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Court's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):¹
 - a) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

Findings: Two exceptions were noted where the policies of the Court did not meet the requirements of the Louisiana Legislative Auditor.

Management's Response:

Board or Finance Committee²

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.³ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: No exceptions noted.

Management's Response: No management response is needed since no exceptions were noted in testing.

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

² These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

³ Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.

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

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 26, 2019