

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

**Component Unit Financial Statements**  
**And**  
**Independent Auditors' Report**  
**June 30, 2018**



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

**COMPONENT UNIT FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018  
WITH SUPPLEMENTARY INFORMATION**

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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, 2018, 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, 2018, 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.

## **Emphasis of Matter**

As described in Note 13 to the financial statements, the Court adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in 2018. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-9), the budgetary comparison information (pages 56-60), the Schedule of Employer's Proportionate Share of the Net Pension Liability (page 61), Schedule of Employer's Contributions (page 62), Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability (page 64), and Schedule of Employer's OPEB Contributions (page 64) 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 14, 2018, 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)*

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

**REQUIRED SUPPLEMENTARY INFORMATION (PART A)  
MANAGEMENT DISCUSSION AND ANALYSIS**



STATE OF LOUISIANA

## **Fourth Judicial District Court**

PARISHES OF MOREHOUSE AND OUACHITA

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### **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, 2018. 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 \$2,406,006 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  1. Investment in capital assets, of \$57,723 includes office furniture and equipment, net of accumulated depreciation.
  2. Unrestricted net deficit of \$3,646,559 resulting from recognizing \$1,867,884 of post-retirement benefits and \$1,958,604 of retirement benefits payable at some time in the future.
  3. Restricted net position of \$1,182,830 represents the amount that may be used to meet the Court's obligations to citizens and creditors within the Court's designation and polices.
- The Court's total net position increased by \$37,532 during the current fiscal year.
- At the end of the most recent fiscal year, unassigned fund balance of the General Fund was \$288,701, or 19.6% 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.

**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 non-financial 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**

As discussed in NOTE 13 of the financial statements, the Court adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* - an amendment of GASB Statement No. 45 for the year ended June 30, 2018. This has resulted in a restatement of net position, which is discussed in NOTE 14.

For the year ended June 30, 2018, net position changed as follows:

Beginning net position as previously reported	\$ (1,958,749)
Restatement - GASB 75 Implementation	<u>(484,789)</u>
Beginning net position - restated	(2,443,538)
Increase (Decrease) in net position	<u>37,532</u>
Ending net position	<u>\$ (2,406,006)</u>



The Court had \$80,203 less court fees collected during the year ended June 30, 2018. The Court realized Supreme Court receipts related to the Drug Court and Juvenile Drug Court that decreased \$10,000 and \$6,116, respectively, due to lower grant awards, respectively for the current fiscal year. The warrant revenue increased \$16,246 during the current fiscal year. The Court also had total expenditures totaling \$164,193 less than the prior year.

### Governmental Activities

The Court's liabilities exceeded its assets at the close of the fiscal year 2018 by \$2,406,006. For the fiscal year ended June 30, 2018, the net position increased by \$37,532 (or 1.5%) and the Court's revenue decreased by \$124,774 (or 3.5%).

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 (%)
	2018	2017 Restated		
Capital assets, net	\$ 57,723	\$ 107,469	\$ (49,746)	(46.29%)
Other assets	<u>1,905,916</u>	<u>2,131,506</u>	<u>(225,590)</u>	<u>(10.58%)</u>
Total assets	1,963,639	2,238,975	(275,336)	(12.30%)
Deferred outflows of resources	<u>1,264,302</u>	<u>1,530,188</u>	<u>(265,886)</u>	<u>(17.38%)</u>
Total assets and deferred outflows of resources	<u>\$ 3,227,941</u>	<u>\$ 3,769,163</u>	<u>\$ (541,222)</u>	<u>(14.36%)</u>
Noncurrent liabilities	3,826,488	4,720,266	(893,778)	(18.93%)
Other liabilities	<u>456,971</u>	<u>491,238</u>	<u>(34,267)</u>	<u>(6.98%)</u>
Total liabilities	4,283,459	5,211,504	(928,045)	(17.81%)
Deferred inflows of resources	1,350,488	1,001,197	349,291	34.89%
Net position				
Net investment in capital assets	57,723	107,469	(49,746)	(46.29%)
Unrestricted (deficit)	(3,646,559)	(3,854,655)	208,096	(5.40%)
Restricted	<u>1,182,830</u>	<u>1,303,648</u>	<u>(120,818)</u>	<u>(9.27%)</u>
Total net position (deficit)	\$ (2,406,006)	\$ (2,443,538)	\$ 37,532	(1.54%)

### How 2018 Compares With 2017 - Statement of Activities

The information below gives comparative data from the Statement of Activities for the fiscal years ended June 30, 2018 and 2017.

#### Statement of Activities Comparative Data

	June 30,		Variance Increased (Decreased) Amounts	Variance Increased (Decreased) Percent (%)
	2018	2017		
<b>Revenues</b>				
Program revenues	\$ 978,409	\$ 1,054,480	\$ (76,071)	(7.21%)
General revenues	<u>2,449,545</u>	<u>2,498,248</u>	<u>(48,703)</u>	<u>(1.94%)</u>
<b>Total revenues</b>	<u>3,427,954</u>	<u>3,552,728</u>	<u>(124,774)</u>	<u>(3.51%)</u>
<b>Expenses</b>				
Judicial Expense Fund	1,369,559	1,474,407	(104,848)	(701%)
Child Support Fund	694,359	652,527	41,832	6.41%
Court Services	<u>1,326,504</u>	<u>1,427,681</u>	<u>(101,177)</u>	<u>(7.08%)</u>
<b>Total expenses</b>	<u>3,390,422</u>	<u>3,554,615</u>	<u>(164,193)</u>	<u>(4.61%)</u>
<b>Change in net position</b>	<u>37,532</u>	<u>(1,887)</u>	<u>39,419</u>	<u>2088.97%</u>
<b>Net position, (deficit) at beginning of year as restated</b>	<u>(2,443,538)</u>	<u>(2,441,651)</u>	<u>1,887</u>	<u>0.07%</u>
<b>Net position, (deficit), end of year</b>	<u>\$ (2,406,006)</u>	<u>\$ (2,443,538)</u>	<u>\$ 37,532</u>	<u>1.53%</u>

The net position of the Court increased by \$37,532 (or 1.53%) from June 30, 2017 to June 30, 2018.

The following schedule presents a summary of General and Special Revenue Fund revenues and expenditures for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to the prior year.

	FYE 2018 Amount	Percent of Total	FYE 2017 Amount	Percent of Total	Increase (Decrease) From FYE 2017	Percent Increase (Decrease)
<b>Revenues:</b>						
Operating grants	\$ 266,129	8%	\$ 331,925	9%	\$ (65,796)	(20%)
Intergovernmental	2,431,989	71%	2,485,991	70%	(54,002)	(2%)
Charges for services	712,280	21%	722,555	21%	(10,275)	(1%)
Interest	14,525		8,063		6,462	80%
Other	<u>3,031</u>		<u>4,194</u>		<u>(1,163)</u>	<u>(28%)</u>
<b>Total revenues</b>	<u>\$ 3,427,954</u>	<u>100%</u>	<u>\$ 3,552,728</u>	<u>100%</u>	<u>\$ (124,774)</u>	<u>(4%)</u>

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.

	<u>FYE 2018 Amount</u>	<u>Percent of Total</u>	<u>FYE 2017 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FYE 2017</u>	<u>Percent Increase (Decrease)</u>
Expenditures:						
District Court	\$ 3,624,041	100%	\$ 3,662,146	99%	\$ (38,105)	(1%)
Capital Outlay	<u>0</u>	<u>0%</u>	<u>18,193</u>	<u>1%</u>	<u>(18,193)</u>	<u>(100%)</u>
Total expenditures	\$ 3,624,041	100%	\$ 3,680,339	100%	\$ (56,298)	(2%)

The Judicial Expense, Child Support, and Misdemeanor Probation expenditures decreased moderately during 2018. The decrease of District Court expenditures was mainly due to no current year grant expenditures, whereas, prior year the Court had \$55,000 of grant expenditures related to a grant received from the State Justice Institute.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, the General Fund and Special Revenue Funds' budgets were revised one time. The General Fund budget amendment was a decrease in warrant revenue and an increase in court fees and grant revenue. The Special Revenue Fund budget amendments were due to a decrease in Supreme Court receipts received as well as increases in professional fees, insurance, and salaries with decreases in retirement, seminars, meetings, and travel.

The actual General Fund revenues were less than the final budget by \$3,637. Actual General Fund expenditures were less than the final budget by \$9,397.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2018 the Court had \$57,723 invested in capital assets including computer equipment and office furniture and equipment (See table below).

Computer equipment, including software	\$ 32,440
Office equipment and furniture	<u>25,283</u>
Ending capital assets	\$ 57,723

**Debt**

At year end, the Court had a total of \$101,319 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 nine percent (9%) as shown in the following table. The Court also had a total of \$1,867,884 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 eighth year that this liability has been recognized. Net pension liability recognized by the Court was \$1,958,604 that represents a future liability for retirement by District Court employees. The pension related deferred inflows recognized by the Court was \$1,250,271 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 \$100,217 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 2018 Amount	FYE 2017 Amount	Increase (Decrease) From FYE 2017	Percent Increase (Decrease)
Accrued Compensated Absences	\$ 101,319	\$ 92,918	\$ 8,401	9%
Post-retirement Benefit Plan Payable Restated	\$ 1,867,884	\$ 1,937,929	\$ (70,045)	(4%)
Net Pension Liability	\$ 1,953,604	\$ 2,782,337	\$ (823,733)	(30%)
Post-retirement Related Deferred Inflows	\$ 100,217	\$ 0	\$ 100,217	
Pension Related Deferred Inflows	\$ 1,250,271	\$ 1,001,197	\$ 249,074	25%

### 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. This has been remedied by an increase in the revenue generating court cost by \$5 to the maximum allowed by law of \$15 per adjudicated criminal case in Morehouse Parish in 2015. Child Support Fund revenues continue to be steady but expenses were more than revenues. Reference materials were paid by the Child Support Fund during the current period. The Misdemeanor Probation Fund balance is declining at a steady rate but will remain solvent. Collections of costs and fines are showing a decrease.

### 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 \$1,958,604, and an accrued post-employment benefit liability of \$1,867,884. See NOTE 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.

### 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 7, 2018

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

**STATEMENT OF NET POSITION  
JUNE 30, 2018**

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 1,777,572
Accounts Receivable	1,370
Due From Other Governmental Units	117,368
Prepaid Expenses and Deposits	9,606
Capital Assets	<u>57,723</u>
Total Assets	<u>\$ 1,963,639</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions	\$ 1,258,462
Deferred Outflows Related to Maintenance Costs	<u>5,840</u>
Total Deferred Outflows of Resources	<u>\$ 1,264,302</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,227,941</u>
<b>LIABILITIES</b>	
Accrued and Other Liabilities	\$ 46,634
Due to Other Governmental Units	309,018
Compensated Absences Payable	101,319
Other Post-Employment Benefits Payable	1,867,884
Net Pension Liability	<u>1,958,604</u>
Total Liabilities	<u>\$ 4,283,459</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to OPEB	\$ 100,217
Deferred Inflows Related to Pensions	<u>1,250,271</u>
Total Deferred Inflows of Resources	<u>\$ 1,350,488</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 57,723
Unrestricted (deficit)	(3,646,559)
Restricted	<u>1,182,830</u>
Total Net Position	<u>\$ (2,406,006)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,227,941</u>

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, 2018**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Changes in Net Position</u>
		<u>Operating Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Grants and Contributions</u>	
<b>Function/Program Activities:</b>					
<b>Government Activities:</b>					
Judicial Expense Fund	\$ 1,369,559	\$	\$ 51,372	\$	\$ 1,318,187
Child Support	694,359				694,359
Court Services					
Misdemeanor Probation	737,962	660,434			77,528
Drug Court	467,699	51,461	94,757		321,481
Juvenile Drug Court	120,843	385	120,000		458
<b>Total Government Activities</b>	<u>\$ 3,390,422</u>	<u>\$ 712,280</u>	<u>\$ 266,129</u>	<u>\$ 0</u>	<u>\$ 2,412,013</u>
<b>General Revenues:</b>					
Intergovernmental					\$ 2,431,989
Interest					14,525
Other					3,031
<b>Total General Revenues</b>					<u>\$ 2,449,545</u>
<b>Changes in Net Position</b>					\$ 37,532
<b>NET POSITION - BEGINNING, as previously reported</b>					\$ (1,958,749)
Restatement - GASB 75 implementation					(484,789)
<b>NET POSITION - BEGINNING, as restated</b>					<u>\$ (2,443,538)</u>
<b>NET POSITION - ENDING</b>					<u>\$ (2,406,006)</u>

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

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

**FUND FINANCIAL STATEMENTS**



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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<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 Funds †</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 430,060	\$ 738,155	\$ 586,812	\$	\$ 22,545	\$ 1,777,572
Accounts Receivable	749	102	458		61	1,370
Due From Other Governmental Units	22,324	60,816		19,295	14,933	117,368
Prepaid Expenses and Deposits	6,897	2,132	577			9,606
Due from Other Funds		1,167		172,397		†
<b>Total Assets</b>	<b><u>\$ 460,030</u></b>	<b><u>\$ 802,372</u></b>	<b><u>\$ 587,847</u></b>	<b><u>\$ 191,692</u></b>	<b><u>\$ 37,539</u></b>	<b><u>\$ 1,905,916</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Maintenance Cost	\$	\$ 450	\$ 5,390	\$	\$	\$ 5,840
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 0</u></b>	<b><u>\$ 450</u></b>	<b><u>\$ 5,390</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 5,840</u></b>
<b>Total Assets and Deferred Outflows</b>	<b><u>\$ 460,030</u></b>	<b><u>\$ 802,822</u></b>	<b><u>\$ 593,237</u></b>	<b><u>\$ 191,692</u></b>	<b><u>\$ 37,539</u></b>	<b><u>\$ 1,911,756</u></b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accrued and Other Liabilities	\$ 25,645	\$ 12,497	\$ 2,867	\$ 4,987	\$ 638	\$ 46,634
Due to Other Governmental Units	92,145	31,571	135,623	33,281	16,398	309,018
Compensated Absences Payable	7,579	41,828	39,035	5,628	7,249	101,319
Due to Other Funds	1,167		142,397		30,000	†
<b>Total Liabilities</b>	<b><u>\$ 126,536</u></b>	<b><u>\$ 85,896</u></b>	<b><u>\$ 319,922</u></b>	<b><u>\$ 43,896</u></b>	<b><u>\$ 54,285</u></b>	<b><u>\$ 456,971</u></b>
<b>Fund Balances</b>						
Nonspendable	\$ 6,897	\$ 2,582	\$ 5,967	\$	\$	\$ 15,446
Restricted	37,896	714,344	267,348	147,796		1,167,384
Unassigned	288,701				(16,746)	271,955
<b>Total Fund Balances</b>	<b><u>\$ 333,494</u></b>	<b><u>\$ 716,926</u></b>	<b><u>\$ 273,315</u></b>	<b><u>\$ 147,796</u></b>	<b><u>\$ (16,746)</u></b>	<b><u>\$ 1,454,785</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 460,030</u></b>	<b><u>\$ 802,822</u></b>	<b><u>\$ 593,237</u></b>	<b><u>\$ 191,692</u></b>	<b><u>\$ 37,539</u></b>	<b><u>\$ 1,911,756</u></b>

† 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, 2018**

Total Fund Balances - Total Governmental Funds		\$ 1,454,785
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Deferred Outflows - Pension Related		1,258,462
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Governmental Capital Assets	\$ 442,644	
Less Accumulated Depreciation	<u>(384,921)</u>	57,723
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		(1,867,884)
Net Pension Liability		(1,958,604)
Deferred Inflows - OPEB		(100,217)
Deferred Inflows - Pension Related		<u>(1,250,271)</u>
Net Position of Governmental Activities		<u>\$ (2,406,006)</u>

**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, 2018**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court	Total Governmental Funds
<b>REVENUES</b>						
Court Fees	\$ 269,052	\$ 763,735	\$ 660,434	\$ 51,461	\$ 385	\$ 1,745,067
Supreme Court Receipts				325,243		325,243
Grant Revenue	51,372			94,757	120,000	266,129
Warrant Revenue	1,073,959					1,073,959
Interest Income	3,186	6,212	5,108		19	14,525
Other Income	3,031					3,031
<b>Total Revenues</b>	<b>\$ 1,400,600</b>	<b>\$ 769,947</b>	<b>\$ 665,542</b>	<b>\$ 471,461</b>	<b>\$ 120,404</b>	<b>\$ 3,427,954</b>
<b>EXPENDITURES</b>						
Small Asset Expenditures	\$ 2,914	\$ 1,275	\$ 952	\$ 170		\$ 5,311
Court Reporter/Process Costs	2,303					2,303
Insurance Expense	215,305	70,841	95,722	25,536	5,729	413,133
Internet Access	5,499	1,528	2,227	578	121	9,953
Miscellaneous	2,760	1,067	1,115			4,942
Office Supplies and Postage	17,749		4,652		142	22,543
Payroll Taxes	14,087	9,927	7,715	1,582	559	33,870
Professional Fees	58,803	35,964	38,292	185,765	56,515	375,339
Reference Material and Dues	4,471	70,691	828			75,990
Rent	13,654	7,913	12,144			33,711
Repair Maintenance & Warranty	4,964	2,308	17,354			24,626
Retirement Expense	197,686	85,422	60,458	14,264	4,802	362,632
Salaries	876,629	500,617	499,478	120,464	40,331	2,037,519
Seminars Meetings & Travel	50,106	4,728	2,409	7,304	2,444	66,991
Supplies		2,729	8,142	118,149	10,795	139,815
Telephone and Utility Expense	8,725	684	5,954			15,363
<b>Total Expenditures</b>	<b>\$ 1,475,655</b>	<b>\$ 795,694</b>	<b>\$ 757,442</b>	<b>\$ 473,812</b>	<b>\$ 121,438</b>	<b>\$ 3,624,041</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (75,055)</b>	<b>\$ (25,747)</b>	<b>\$ (91,900)</b>	<b>\$ (2,351)</b>	<b>\$ (1,034)</b>	<b>\$ (196,087)</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	\$	\$	\$	\$	\$	\$
Operating Transfers Out						
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ (75,055)</b>	<b>\$ (25,747)</b>	<b>\$ (91,900)</b>	<b>\$ (2,351)</b>	<b>\$ (1,034)</b>	<b>\$ (196,087)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>408,549</b>	<b>742,673</b>	<b>365,215</b>	<b>150,147</b>	<b>(15,712)</b>	<b>1,650,872</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 333,494</b>	<b>\$ 716,926</b>	<b>\$ 273,315</b>	<b>\$ 147,796</b>	<b>\$ (16,746)</b>	<b>\$ 1,454,785</b>

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, 2018**

Net Change in Fund Balance - Total Governmental Funds		\$ (196,087)
<i>Amounts reported for governmental activities in the Statement of Net Positions 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	\$ 0	
Depreciation Expense	<u>(45,828)</u>	(45,828)
Disposal of Capital Assets		(3,917)
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.		
		(30,173)
Pension Expense		<u>313,537</u>
Change in Net Position of Governmental Activities		<u>\$ 37,532</u>

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

**STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>0</u>
Total Assets	\$ <u><u>0</u></u>
<b>LIABILITIES</b>	
Restitution to Court Ordered Recipients Payable	\$ <u>0</u>
Total Liabilities	\$ <u><u>0</u></u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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 Position.

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 nonemployer 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 FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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 \$420,000 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:

- |               |  |
|---------------|--|
| Non-spendable | Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.  |
| 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. |

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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 or 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 Funds</u>
Fund Balances						
Nonspendable						
Prepaid Expenses	\$ 6,897	\$ 2,582	\$ 5,967	\$	\$	\$ 15,446
Restricted						
Family in Need of Services	37,896					37,896
Child Support Enforcement Court Services		714,344	267,348	147,796		714,344 415,144
Unassigned	<u>288,701</u>				<u>(16,746)</u>	<u>271,955</u>
Total Fund Balances	<u>\$ 333,494</u>	<u>\$ 716,926</u>	<u>\$ 273,315</u>	<u>\$ 147,796</u>	<u>\$ (16,746)</u>	<u>\$ 1,454,785</u>

The Juvenile Drug Court Fund has a deficit fund balance of \$16,746.

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).



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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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 Police 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 criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Ouachita Parish Police 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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*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.

*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 Judicial 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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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 Judicial 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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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.

*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.

**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, 2018.

*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 \$6,897 and \$37,896 in restricted net position as of June 30, 2018 related to the prepaid expenses, and Family in Needs Funds, respectively, in the General Fund and \$1,129,488 restricted net position as of June 30, 2018 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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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.

**NOTE 2 EXPENDITURES - ACTUAL AND BUDGET**

The Judicial Expense Fund had total actual expenditures less than total budgeted expenses for the year by \$9,397 or 0.6%.

The Child Support Fund had total actual expenditures more than total budgeted expenses for the year by \$6,779 or 0.9%.

The Misdemeanor Probation Fund had total expenditures less than total budgeted expenses for the year by \$993 or 0.1%.

The Drug Court Fund had total expenditures more than total budgeted expenses for the year by \$942 or 0.2%.

The Juvenile Drug Court Fund had total expenditures more than total budgeted expenses for the year by \$992 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, 2018 the Fourth Judicial District Court had cash and cash equivalents (book balances) totaling \$1,777,572 as follows:

Non-interest-bearing demand deposits	\$ 45,203
Interest-bearing demand deposits	241,434
Time deposits	<u>1,490,935</u>
Total	<u><u>\$ 1,777,572</u></u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 3 DEPOSITS AND INVESTMENTS (Cont'd)**

The following is a summary of specific account information by custodial institution.

<u>Credit Risk</u>	<u>Book Balance</u>	<u>Account Balance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
<b>BancorpSouth Bank</b>				
General Fund				
Judicial Expense - Checking Auction	\$ 1,138	\$ 1,138		0.00%
Family in Needs Services - Checking	44,065	44,260		0.00%
Special Revenue Funds				
Child Support - Checking	76,970	77,595		0.05%
Misdemeanor Probation - Checking	71,037	103,205		0.05%
Juvenile Drug Court - Checking	22,545	22,545		0.05%
Misdemeanor Probation - Cert. of Dep. 06/18/18	<u>103,782</u>	<u>103,782</u>	09/18/19	1.75%
Subtotal	<u>\$ 319,537</u>	<u>\$ 352,525</u>		
<b>Bank of Ruston</b>				
General Fund				
Judicial Expense - Cert. of Dep. 09/21/17	<u>\$ 211,371</u>	<u>\$ 211,371</u>	09/21/18	1.08%
Subtotal	<u>\$ 211,371</u>	<u>\$ 211,371</u>		
<b>Cross Keys Bank</b>				
General Fund				
Judicial Expense - Cert. of Dep. 04/26/18	\$ 102,604	\$ 102,604	04/26/19	1.77%
Special Revenue Fund				
Child Support - Cert. of Dep. 01/07/18	103,010	103,010	01/07/19	1.56%
Misdemeanor Probation - Cert. of Dep. 11/16/17	<u>205,779</u>	<u>205,779</u>	11/16/18	
Subtotal	<u>\$ 411,393</u>	<u>\$ 411,393</u>		
<b>Origin Bank</b>				
General Fund				
Judicial Expense - Checking	<u>\$ 30,517</u>	<u>\$ 31,534</u>		0.15%
Subtotal	<u>\$ 30,517</u>	<u>\$ 31,534</u>		
<b>Progressive Bank</b>				
General Fund				
General Fund (P/R) Checking	<u>\$ 40,365</u>	<u>\$ 41,495</u>		0.25%
Subtotal	<u>\$ 40,365</u>	<u>\$ 41,495</u>		
<b>Richland State Bank</b>				
Special Revenue Funds				
Child Support - Cert. of Dep. 02/26/18	\$ 236,714	\$ 236,714	08/26/19	1.50%
Child Support - Cert. Of Dep. 09/11/17	321,461	321,461	03/11/19	1.50%
Misdemeanor Probation - Cert. of Dep. 10/05/17	<u>206,214</u>	<u>206,214</u>	04/05/19	1.50%
Subtotal	<u>\$ 764,389</u>	<u>\$ 764,389</u>		
Total Cash and Cash Equivalents	<u>\$ 1,777,572</u>	<u>\$ 1,812,707</u>		

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 3 DEPOSITS AND INVESTMENTS (Cont'd)**

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, 2018 the Fourth Judicial District Court had \$1,812,707 in deposits (collected bank balances). These deposits are secured from risk by \$1,034,400 of federal deposit insurance and \$778,307 of pledged securities held by the bank's agent in the name of the bank as of June 30, 2018.

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 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 \$1,370 at June 30, 2018 are as follows:

	General Fund
Other	\$ 1,370
Total	\$ 1,370

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 FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4 ACCOUNT RECEIVABLES AND DUE FROM OTHER GOVERNMENTAL UNITS (Cont'd)**

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)	\$ 11,903
Court fees - Ouachita Parish, Clerk of Court, State of Louisiana (includes expense reimbursement)	3,111
Court fees - Morehouse Parish, Sheriff Department, State of Louisiana	2,504
Court fees - Morehouse Parish, Clerk of Court, State of Louisiana	1,725
Travel and expense reimbursement - Supreme Court, Justice Department, State of Louisiana	1,292
Expense reimbursement - Ouachita Parish Police Jury, State of Louisiana	1,773
Expense reimbursement - Ouachita Parish District Attorney, State of Louisiana	<u>16</u>

Total	<u><u>\$ 22,324</u></u>
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Special Revenue Funds

Child Support Fund

Court fees - Department of Health and Human Resources, State of Louisiana	\$ 60,689
Equipment rental reimbursement - Monroe City Court, Monroe, Louisiana	127

Drug Court Fund

Operation fees - Supreme Court, Justice Department, State of Louisiana	19,295
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Juvenile Drug Court Fund

Operation fees - Supreme Court, Justice Department, State of Louisiana	<u>14,933</u>
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Total	<u><u>\$ 95,044</u></u>
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**FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND  
MONROE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>
Government Activities:				
Computers and Printers	\$ 385,707	\$	\$ (82,101)	\$ 303,606
Equipment	<u>178,137</u>	<u></u>	<u>(39,099)</u>	<u>139,038</u>
Totals at Historical Cost	<u>\$ 563,844</u>	<u>\$ 0</u>	<u>\$ (121,200)</u>	<u>\$ 442,644</u>
Less Accumulated Depreciation for:				
Computers	\$ 316,718	\$ 35,018	\$ (80,570)	\$ 271,166
Equipment	<u>139,657</u>	<u>10,810</u>	<u>(36,712)</u>	<u>113,755</u>
	<u>\$ 456,375</u>	<u>\$ 45,828</u>	<u>\$ (117,282)</u>	<u>\$ 384,921</u>
Governmental Activities Capital Assets, Net	<u>\$ 107,469</u>	<u>\$ (45,828)</u>	<u>\$ (3,918)</u>	<u>\$ 57,723</u>

Depreciation expense was charged to governmental functions as follows:

Judicial Expense Fund	\$ 25,989
Child Support Fund	6,724
Misdemeanor Probation Fund	10,553
Drug Court Fund	947
Juvenile Drug Court Fund	<u>1,615</u>
	<u>\$ 45,828</u>

**NOTE 6 PENSION PLANS**

The Fourth Judicial District Court implemented Government 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, 2018, the Fourth Judicial District Court reported a total liability of \$1,958,604 for its proportionate share of the net pension liability (asset) in the following retirement plans:

Louisiana State Employees' Retirement System (LASERS)	\$ 2,025,986
Parochial Employees' Retirement System of Louisiana	(141,561)
Louisiana Clerks' of Court Retirement and Relief Fund	<u>74,179</u>
Total	<u>\$ 1,958,604</u>

At June 30, 2018, the Fourth Judicial District Court reported a total deferred outflow asset of \$1,258,462 for its proportionate share of the net pension asset in the following retirement plans:

Louisiana State Employees' Retirement System (LASERS)	\$ 995,852
Parochial Employees' Retirement System of Louisiana	247,264
Louisiana Clerks' of Court Retirement and Relief Fund	<u>15,346</u>
Total	<u>\$ 1,258,462</u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

At June 30, 2018, the Fourth Judicial District Court reported total inflows of \$1,250,271 for its proportionate share of the net pension liability in the following retirement plans:

Louisiana State Employees' Retirement System (LASERS)	\$ 788,515
Parochial Employees' Retirement System of Louisiana	454,151
Louisiana Clerks' of Court Retirement and Relief Fund	<u>7,605</u>
Total	<u>\$ 1,250,271</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](http://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 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.

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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

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 age 60, 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.

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. 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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

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, 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.

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, 2018 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 7/01/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	32.70%
Bridge Police	Closed	8.50%	36.50%
Bridge Police hired on or after 7/01/06	Closed	8.50%	36.50%
Corrections Primary	Closed	9.00%	33.20%
Corrections Secondary	Closed	9.00%	37.60%
Harbor Police	Closed	9.00%	6.10%
Hazardous Duty	Open	9.50%	38.30%
Judges hired before 1/01/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.60%
Judges hired on or after 7/01/15	Open	13.00%	39.60%
Legislators	Closed	11.50%	41.70%
Optional Retirement Plan (ORP) before 7/01/06*	Closed	7.50%	33.80%
Optional Retirement Plan (ORP) on or after 7/01/06*	Closed	8.00%	33.80%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 7/01/06	Closed	7.50%	37.90%
Regular Employees hired on or after 7/01/06	Closed	8.00%	37.90%
Regular Employees hired on or after 1/01/11	Closed	8.00%	37.90%
Regular Employees hired on or after 7/01/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.70%
Wildlife Agents	Closed	9.50%	46.60%

\* For ORP the projected employer contribution effort was calculated using the shared UAL portion of the contribution rate of 33.8% for 2018.

The agency's contractually required composite contribution rate for the year ended June 30, 2018 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 \$214,090 for the year ended June 30, 2018.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

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

At June 30, 2018, the employer reported a liability of \$2,025,986 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 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, 2017, the Agency's proportion was 0.02878%, which was a decrease of 0.00056% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Agency recognized pension expense of \$185,387 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$235,707 for 2018.

At June 30, 2018, 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	\$ 0	\$ (37,174)
Changes in assumptions	8,004	0
Net difference between projected and actual earnings on pension plan investments	65,881	0
Changes in proportion and differences between employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	707,877	(751,341)
Employer contributions subsequent to the measurement date	<u>214,090</u>	<u>                    </u>
Total	<u>\$ 995,852</u>	<u>\$ (788,515)</u>

\$214,090 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2019	\$ (70,864)
2020	\$ 78,534
2021	\$ 26,364
2022	\$ (40,788)

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**NOTE 6 PENSION PLANS (Cont'd)**

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, is as follows:

Valuation Date	June 30, 2017																		
Actuarial Cost Method	Entry Age Normal																		
Actuarial Assumptions:																			
Expected Remaining Service Lives	3 years																		
Investment Rate of Return	7.70% per annum, net of investment expenses *																		
Inflation Rate	2.75% per annum																		
Mortality	<p>Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2016.</p> <p>Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members																		
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:																		
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Member Type</th> <th style="text-align: center; border-bottom: 1px solid black;">Lower Range</th> <th style="text-align: center; border-bottom: 1px solid black;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.8%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.8%</td> <td style="text-align: center;">5.3%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.4%</td> <td style="text-align: center;">14.3%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.4%</td> <td style="text-align: center;">14.3%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.4%</td> <td style="text-align: center;">14.3%</td> </tr> </tbody> </table>	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%
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 8.16%, recognizing an additional 40 basis points for gain-sharing and 15 basis points to offset administrative expenses.

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**NOTE 6 PENSION PLANS (Cont'd)**

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 8.69% for 2017. 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, 2017 are summarized in the following table:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return*
Cash	0%	(0.24%)
Domestic Equity	25%	4.31%
International Equity	32%	5.35%
Domestic Fixed Income	8%	1.73%
International Fixed Income	6%	2.49%
Alternative Investments	22%	7.41%
Global Tactical Asset Allocation	7%	2.84%
Total	<u>100%</u>	5.26%

\*For reference only: Target Allocation presented in LASERS 2017 CAFR, page 50, and Long-Term Expected Real Rate of Return, Page 28.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.70%. 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 7.70%, 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 (6.70%) or one percentage-point higher (8.70%) than the current rate:

	Changes in Discount Rate 2017		
	1% Decrease 6.70%	Current Discount Rate 7.70%	1% Increase 8.70%
Employer's proportionate share of the Net Pension Liability	\$ 2,543,396	\$ 2,025,986	\$ 1,586,065



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**NOTE 6 PENSION PLANS (Cont'd)**

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2017 Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

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, 2017 as follows:

					June 30, 2017	
2017	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows	
	\$ 12,006	\$ 0	\$ 4,002	\$ 8,004	\$ 0	
			Totals	\$ 8,004	\$ 0	

**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.

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**NOTE 6 PENSION PLANS (Cont'd)**

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.

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.

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**NOTE 6 PENSION PLANS (Cont'd)**

**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.

**Employer Contributions:** According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2017 was 12.50%.

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, 2017 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2017.

**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, 2018, the Employer reported an asset of \$141,561 for its proportionate share of the Net Pension Asset. The Net Pension Asset was measured as of December 31, 2017 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The Agency's proportion of the Net Pension Asset 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, 2017, the Agency's proportion was 0.170720%, which was a decrease of 0.233002% from its proportion measured as of December 31, 2016.

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**NOTE 6 PENSION PLANS (Cont'd)**

For the year ended June 30, 2018, the Agency recognized pension expense of \$177,408 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$187,713 for 2018.

At June 30, 2018, 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 expense	\$ 0	\$ (91,636)
Changes in assumptions	178,671	0
Differences between projected and actual investment earnings on pension plan investments	0	(327,047)
Changes in proportion and differences between employer contributions and proportionate shares of contributions and deferred outflows and inflows of resources	663	(35,468)
Employer contributions subsequent to the measurement date	<u>67,930</u>	<u>0</u>
Total	<u>\$ 247,264</u>	<u>\$ (454,151)</u>

\$67,930 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, 2018. 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	\$	(13,548)
2020	\$	(21,541)
2021	\$	(110,105)
2022	\$	(129,623)

**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, 2017, are as follows:

Total Pension Liability	\$ 3,754,795,626
Plan Fiduciary Net Position	<u>3,829,020,281</u>
Total Net Pension Liability	<u>\$ (74,224,655)</u>

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**NOTE 6 PENSION PLANS (Cont'd)**

Actuarial Methods and Assumptions: (Cont'd)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2017, is as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense, including inflation
Expected Remaining Service lives	4 years
Projected Salary Increases	5.25% (2.75% Merit/2.50% Inflation)
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 increase not yet authorized by the Board of Trustees.
Mortality	RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Table was selected for annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
Inflation Rate	2.50%

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 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.

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 7.62% for the year ended December 31, 2017.

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**NOTE 6 PENSION PLANS (Cont'd)**

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, 2017 are summarized in the following table:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return*
Fixed Income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Total	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62 %

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. 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 System's liabilities. The RP-2000 Healthy Annuitant Mortality Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

**Sensitivity of Changes in Discount Rate:** The following presents the net pension liability (asset) of the participating employers calculated using the discount rate of 6.75%, 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 5.75% or one percentage point higher 7.75% than the current rate.

	Changes in Discount Rate 2017		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Employer's proportionate share of the Net Pension Liability (Asset)	\$ 697,947	\$ (141,561)	\$ (850,944)

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**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 PENSION PLANS (Cont'd)**

**Change in Net Pension Liability:** The changes in the net pension liability for the year ended December 31, 2017 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, 2017 as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	December 31, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$	\$ 40,626,421	\$ (10,156,605)	\$	\$ 30,469,816
2016		9,500,591	(3,166,864)		6,333,726
2015		22,487,603	(11,243,801)		11,243,802
2014		4,051,361	(4,051,361)		
				\$ 0	\$ 48,047,344

**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, 2017 as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	December 31, 2017		
				Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2017	\$	\$ 339,826,280	\$ (67,965,256)	\$	\$ 271,861,024	\$ (271,861,024)
2016		17,272,295	(4,318,074)		12,954,221	(12,954,221)
2015	148,714,129		49,571,376	99,142,753		99,142,753
2014	28,384,036		14,192,019	14,192,019		14,192,019
				\$ 113,334,772	\$ 284,815,245	\$ (171,480,473)

**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, 2017 as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	December 31, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$ 98,842,690	\$	\$ 24,710,673	\$ 74,132,018	\$
2016					
2015	39,101,013		19,550,506	19,550,507	
2014					
				\$ 93,682,525	\$ 0

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**NOTE 6 PENSION PLANS (Cont'd)**

**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, 2017.

**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, 2017. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://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.

**C. LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND**

**Plan Description:** The Louisiana Clerks' of Court Retirement and Relief Fund is a cost sharing multiple employer defined benefit plan. 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.



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**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 PENSION PLANS (Cont'd)**

**Retirement Benefits:** A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more and terminating employment. Regular retirement benefits, payable monthly for life, equal  $3\frac{1}{3}\%$  of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement. Act 273 of the 2010 regular session applied the sixty consecutive months to all members. This Act has a transition period for those members who retired on or after January 1, 2011 and before December 31, 2012. Additionally, Act 273 of the 2010 regular session increased a member's retirement to age 60 with an accrual rate of 3% for all members hired on or after January 1, 2011.

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

**Disability Benefits:** Effective through June 30, 2008, a member who has been officially certified as totally and permanently disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

1. A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.
2. A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

The following is effective for any disability retiree whose application for disability retirement is approved on or after July 1, 2008. The provisions related to the calculation of benefits will apply to any disability retiree whose application for disability retirement was approved before July 1, 2008, for benefits due and payable on or after January 1, 2008.

A member is eligible to receive disability retirement benefits from the Fund if he or she is certified to be totally and permanently disabled pursuant to R.S. 11:218 and one of the following applies:

1. The member's disability was caused solely as a result of injuries sustained in the performance of their official duties.
2. The member has at least ten years of service credit.

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**NOTE 6 PENSION PLANS (Cont'd)**

A member who has been certified as totally and permanently disabled will be paid monthly disability retirement benefits equal to the greater of:

1. Forty percent of their monthly average final compensation.
2. Seventy-five percent of their monthly regular retirement benefit computed pursuant to R.S. 11:1521(c).

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

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. 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 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.

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**NOTE 6 PENSION PLANS (Cont'd)**

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 thirty-six months. 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.

Cost of Living Adjustments: The Board of Trustees is authorized to provide a cost of living increase to 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 any cost of living increase, the Fund must meet criteria as detailed in the Louisiana statutes related 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.

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2017, 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 non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2017, was \$10,704,574.

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

At June 30, 2018, the Employer reported a liability of \$74,179 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 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, 2017, the Agency's proportion was .049030%, which was a decrease of .002057% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Agency recognized pension expense of \$10,621 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$452 for 2018.

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**NOTE 6 PENSION PLANS (Cont'd)**

At June 30, 2018, 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	\$ 2,247	\$ (1,947)
Changes in assumptions	3,235	0
Net difference between projected and actual earnings on pension plan investments	1,016	0
Changes in proportion and differences between Employer contributions and proportionate shares of contributions and deferred outflows and inflows of resources	0	(5,658)
Employer contributions subsequent to the measurement date	<u>8,848</u>	<u>0</u>
Total	<u>\$ 15,346</u>	<u>\$ (7,605)</u>

\$8,848 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, 2018. 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	\$ (875)
2020	\$ 2,366
2021	\$ 508
2022	\$ (3,107)

**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, 2017 are as follows:

	<u>2017</u>
Total Pension Liability	\$ 744,970,984
Plan Fiduciary Net Position	<u>593,677,582</u>
Total Net Pension Liability	<u>\$ 151,293,402</u>

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**NOTE 6 PENSION PLANS (Cont'd)**

Actuarial Methods and Assumptions: (Cont'd)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.00%, 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 year 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)
Expected Remaining Service Lives	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 2017 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.

The mortality rate assumption used was verified by combining data from this plan with three 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. 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 7.60%, for the year ended June 30, 2017.

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**NOTE 6 PENSION PLANS (Cont'd)**

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, 2017, is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed Income:		
Core fixed income	5.00%	1.75%
Core plus fixed income	15.00%	2.25%
Domestic Equity:		
Large cap domestic equity	21.00%	5.25%
Non-large cap domestic equity	7.00%	5.00%
International Equity:		
Large cap international equity	14.00%	5.25%
Small cap international equity	6.50%	5.25%
Emerging markets	6.50%	7.25%
Real Estate	10.00%	4.50%
Master Limited Partnerships	5.00%	7.00%
Hedge Fund	10.00%	3.00%
	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00%. 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.

**Sensitivity to Changes in Discount Rate:** The following presents the net pension liability of the participating employers calculated using the discount rate of 7.00%, 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 6.00% or one percentage point higher 8.00% than the current rate as of June 30, 2017.

	Changes in Discount Rate 2017		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the Net Pension Liability	\$ 113,521	\$ 74,179	\$ 40,779

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

**Change in Net Pension Liability:** The changes in the net pension liability for the year ended June 30, 2017, 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, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$ 3,957,320	\$	\$ 791,464	\$ 3,165,856	\$
2016	1,887,929		471,982	1,415,947	
2015		4,929,414	(1,643,138)		3,286,276
2014		1,367,460	(683,731)		683,729
				<u>\$ 4,581,803</u>	<u>\$ 3,970,005</u>

**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, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017		
				Deferred Outflows	Deferred Inflows	Net Deferred Outflows Balance
2017	\$	\$ 30,768,074	\$(6,153,615)	\$	\$ 24,614,459	\$ (24,614,459)
2016	33,486,483		8,371,621	25,114,862		25,114,862
2015	14,134,402		4,711,467	9,422,935		9,422,935
2014		15,702,718	(7,851,360)		7,851,358	(7,851,358)
				<u>\$ 34,537,797</u>	<u>\$ 32,465,817</u>	<u>\$ 2,071,980</u>

**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, 2017, as follows:

	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	June 30, 2017	
				Deferred Outflows	Deferred Inflows
2017	\$	\$	\$	\$	\$
2016					
2015	5,409,743		1,803,247	3,606,496	
2014	5,983,845		2,991,923	2,991,922	
				<u>\$ 6,598,418</u>	<u>\$ 0</u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 PENSION PLANS (Cont'd)**

**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 a 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, 2017. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.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.

**NOTE 7 POST-RETIREMENT BENEFIT PLAN**

**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](http://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, 2018. 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.



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**NOTE 7 POST-RETIREMENT BENEFIT PLAN (Cont'd)**

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	19%	81%
10-14 Years	38%	62%
15-19 Years	56%	44%
20+ Years	75%	25%

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, 2018, the Court reported a liability of \$1,867,884 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date. The Court's proportionate share of the restated total collective OPEB liability at June 30, 2017, totaling \$1,937,928 was determined using a roll back of the same valuation to July 1, 2016, using the discount rate applicable on that date, and assuming no experience gains or losses.

The total collective OPEB liability in the July 1, 2017 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 - 3.13% based on the June 30, 2017 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 2.71% as of July 1, 2016, to 3.13% as of July 1, 2017.

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 7 POST-RETIREMENT BENEFIT PLAN (Cont'd)**

**Schedule of Changes in Total OPEB Liability**

	Total OPEB Liability
Total OPEB Liability at beginning of year	\$ <u>1,937,929</u>
Changes for the year:	
Service cost	40,969
Interest	53,072
Changes in benefit terms	
Differences between expected used actual experience	
Changes of assumptions or other input	(122,789)
Benefit payments	<u>(41,297)</u>
Net changes	<u>\$ (70,045)</u>
Total OPEB Liability at end of year	<u>\$ 1,867,884</u>

There were eight (8) inactive employees currently receiving benefit payment during the year ended June 30, 2018.

**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:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Proportionate share of total collective OPEB liability	\$ <u>2,180,671</u>	\$ <u>1,867,884</u>	\$ <u>1,617,193</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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of total collective OPEB Liability	\$ <u>1,612,700</u>	\$ <u>1,867,884</u>	\$ <u>2,186,214</u>

**FOURTH JUDICIAL DISTRICT COURT  
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**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 POST-RETIREMENT BENEFIT PLAN (Cont'd)**

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

For the year ended June 30, 2018, the Court recognized OPEB expense of \$71,470. At June 30, 2018, the Court reported deferred outflows of resources and deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	0	100,217
Net difference between projected and actual earnings on OPEB plan investments	0	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	0
Employer contributions subsequent to the measurement date	0	0
Total	\$ 0	\$ 100,217

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:

Period Ended	Amount
June 30, 2019	\$ (22,572)
June 30, 2020	(22,572)
June 30, 2021	(22,572)
June 30, 2022	(22,572)
June 30, 2023	(9,929)
	\$ (100,217)

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**NOTES TO FINANCIAL STATEMENTS  
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**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	\$	6,223
	Ouachita Parish Police Jury - State of Louisiana		84,068
	Ouachita Parish Sheriff Department - State of Louisiana		<u>1,854</u>
	Total General Fund	\$	<u>92,145</u>
Special Revenue Funds			
Child Support Fund			
	Ouachita Parish Police Jury - State of Louisiana	\$	25,756
	Ouachita Parish Sheriff Department - State of Louisiana		1,580
	Morehouse Parish Clerk of Court - State of Louisiana		4,235
Court Services Fund (Misdemeanor, Drug Court, and Juvenile Drug Court)			
	Ouachita Parish Police Jury - State of Louisiana		179,122
	Ouachita Parish Sheriff Department - State of Louisiana		1,680
	University of Louisiana at Monroe - State of Louisiana		<u>4,500</u>
	Total Special Revenue Funds	\$	<u>216,873</u>

**NOTE 9 COMPENSATED ABSENCES**

At June 30, 2018, employees of the Fourth Judicial District Court have accumulated and vested \$101,319 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$7,579 is recorded as an obligation of the General Fund and \$93,740 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 Dept., Monroe, Louisiana	\$ 0	\$ 10,257	\$ (10,257)	\$ 0
Indigent Defender Board, Monroe, Louisiana	0	50,156	(50,156)	0
Criminal Court Fund, Monroe, Louisiana	0	7,935	(7,935)	0
Restitution Recipients, Fourth District, State of Louisiana	<u>0</u>	<u>77,209</u>	<u>(77,209)</u>	<u>0</u>
	<u>\$ 0</u>	<u>\$ 145,557</u>	<u>\$ (145,557)</u>	<u>\$ 0</u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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, 2017 until June 30, 2018 and funded monthly from July 1, 2017 until June 30, 2018 for \$51,372.

The total expenditures of the Fourth Judicial District Court, Judicial Expense Fund related to the FINS program was \$51,567 for the fiscal year ended June 30, 2018.

Temporary Assistance for Needy Families (TANF)

The Fourth Judicial District Court, Court Services Fund, has been awarded from the Supreme of Louisiana, Drug Court Program funds that include federal grants totaling \$94,757 during the fiscal year ended June 30, 2018 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 \$94,757 for the fiscal year ending June 30, 2018.

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, 2018 from the "Temporary Assistance for Needy Families" (TANF) program.

The total expenditures of the Fourth Judicial District Court related to this program were \$121,438 for the fiscal year ending June 30, 2018.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 13 ADOPTION OF NEW ACCOUNTING STANDARDS**

For the year ended June 30, 2018, the following statement was implemented: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. 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 presented in NOTE 7.

**NOTE 14 PRIOR PERIOD ADJUSTMENT**

As discussed in NOTE 13, the Court adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* – an amendment of GASB Statement No. 45 for the year ended June 30, 2018. This has resulted in a restatement of net position of \$484,789 to account for the total OPEB liability at June 30, 2017. As a result, net position restricted for pensions was increased from \$1,958,749 as previously reported to \$2,443,538 as restated.

**NOTE 15 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 16 SUBSEQUENT EVENTS**

There were no significant events subsequent to June 30, 2018. Management has evaluated subsequent events through December 14, 2018, the date which the financial statements were available for release.

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

**REQUIRED SUPPLEMENTARY INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
(JUDICIAL EXPENSE FUND)  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows):</b>				
Court Fees - Ouachita Parish	\$ 296,215	\$ 232,800	\$ 230,459	\$ (2,341)
Court Fees - Morehouse Parish	42,200	39,100	38,593	(507)
Grant Revenue	51,372	51,372	51,372	
Warrant Revenue	1,058,300	1,075,250	1,073,959	(1,291)
Interest Income	2,261	3,220	3,186	(34)
Other Income	3,032	2,495	3,031	536
Amounts Available for Appropriation	<u>\$ 1,453,380</u>	<u>\$ 1,404,237</u>	<u>\$ 1,400,600</u>	<u>\$ (3,637)</u>
<b>Charges to Appropriation (Outflows):</b>				
Asset Expenditures	\$ 6,800	\$	\$	\$
Small Asset Expenditures	4,295	1,300	2,914	1,614
Court Reporter Costs	2,870	2,200	2,303	103
Insurance Expense	210,745	220,890	215,305	(5,585)
Internet Access	5,695	5,536	5,499	(37)
Miscellaneous	2,315	2,730	2,760	30
Office Supplies and Postage	14,282	15,941	17,749	1,808
Payroll Taxes	14,225	14,150	14,087	(63)
Professional Fees	65,900	58,825	58,803	(22)
Reference Materials and Dues	3,200	3,500	4,471	971
Rent	13,517	13,650	13,654	4
Repair, Maintenance and Warranty	2,585	4,300	4,964	664
Retirement Expense	202,334	197,000	197,686	686
Salaries	899,095	876,015	876,629	614
Seminars, Meetings, and Travel	44,300	61,200	50,106	(11,094)
Telephone Expense	6,682	7,815	8,725	910
Total Charges to Appropriation	<u>\$ 1,498,840</u>	<u>\$ 1,485,052</u>	<u>\$ 1,475,655</u>	<u>\$ (9,397)</u>
Excess of Resources Over (Under) Charges for Appropriation	\$ (45,460)	\$ (80,815)	\$ (75,055)	\$ 5,760
Fund Balance - Beginning	<u>408,549</u>	<u>408,549</u>	<u>408,549</u>	
Fund Balance - Ending	<u>\$ 363,089</u>	<u>\$ 327,734</u>	<u>\$ 333,494</u>	<u>\$ 5,760</u>

See independent auditor's 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, 2018**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows):</b>				
Court Fees	\$ 748,000	\$ 770,000	\$ 763,735	\$ (6,265)
Interest Income	6,300	6,215	6,212	(3)
Transfers from Other Funds				
Amounts Available for Appropriation	<u>\$ 754,300</u>	<u>\$ 776,215</u>	<u>\$ 769,947</u>	<u>\$ (6,268)</u>
<b>Charges to Appropriation (Outflows):</b>				
Asset Expenditures	\$ 5,500	\$ 1,400	\$ 1,275	\$ (125)
Small Asset Expenditures	1,500	1,400	1,275	(125)
Insurance Expense	61,300	73,100	70,841	(2,259)
Internet Access	1,551	1,530	1,528	(2)
Miscellaneous	1,125	1,100	1,067	(33)
Payroll Taxes	9,132	9,900	9,927	27
Professional Fees	37,650	36,025	35,964	(61)
Reference Materials and Dues	60,000	67,500	70,691	3,191
Rent	8,015	8,000	7,913	(87)
Repair, Maintenance, and Warranty	2,894	1,460	2,308	848
Retirement Expense	101,500	86,000	85,422	(578)
Salaries	489,804	495,000	500,617	5,617
Seminars, Meetings & Travel	2,853	4,500	4,728	228
Supplies	4,458	2,700	2,729	29
Telephone and Utility Expense	646	700	684	(16)
Total Charges to Appropriation	<u>\$ 787,928</u>	<u>\$ 788,915</u>	<u>\$ 795,694</u>	<u>\$ 6,779</u>
Excess of Resources Over (Under) Charges for Appropriation	\$ (33,628)	\$ (12,700)	\$ (25,747)	\$ (13,047)
Fund Balance - Beginning	<u>742,673</u>	<u>742,673</u>	<u>742,673</u>	
Fund Balance - Ending	<u>\$ 709,045</u>	<u>\$ 729,973</u>	<u>\$ 716,926</u>	<u>\$ (13,047)</u>

See independent auditor's 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, 2018**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows):</b>				
Court Fees	\$ 689,700	\$ 658,125	\$ 660,434	\$ 2,309
Interest Income	6,300	5,110	5,108	(2)
Transfers from Other Funds				
Amounts Available for Appropriation	<u>\$ 696,000</u>	<u>\$ 663,235</u>	<u>\$ 665,542</u>	<u>\$ 2,307</u>
<b>Charges to Appropriation (Outflows):</b>				
Asset Expenditures	\$ 5,721	\$	\$	\$
Small Asset Expenditures			952	952
Insurance Expense	97,000	96,500	95,722	(778)
Internet Access	2,260	2,250	2,227	(23)
Miscellaneous	800	1,125	1,115	(10)
Postage	6,000	4,900	4,652	(248)
Payroll Taxes	7,700	7,750	7,715	(35)
Professional Fees	41,000	38,500	38,292	(208)
Reference Materials and Dues	1,650	980	828	(152)
Rent	11,892	12,200	12,144	(56)
Repair, Maintenance, and Warranty	14,455	16,500	17,354	854
Retirement Expense	63,250	60,500	60,458	(42)
Salaries	503,000	500,000	499,478	(522)
Seminars, Meetings & Travel	2,786	2,700	2,409	(291)
Supplies	12,200	8,230	8,142	(88)
Telephone and Utility Expense	<u>7,000</u>	<u>6,300</u>	<u>5,954</u>	<u>(346)</u>
Total Charges to Appropriation	<u>\$ 776,714</u>	<u>\$ 758,435</u>	<u>\$ 757,442</u>	<u>\$ (993)</u>
Excess of Resources Over (Under) Charges for Appropriation	\$ (80,714)	\$ (95,200)	\$ (91,900)	\$ 3,300
Fund Balance - Beginning	<u>365,215</u>	<u>365,215</u>	<u>365,215</u>	
Fund Balance - Ending	<u>\$ 284,501</u>	<u>\$ 270,015</u>	<u>\$ 273,315</u>	<u>\$ 3,300</u>

See independent auditor's 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, 2018**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows):</b>				
Drug Screen Fees	\$ 45,000	\$ 51,000	\$ 51,461	\$ 461
Supreme Court	325,000	329,000	325,243	(3,757)
Supreme Court - TANF	105,000	91,000	94,757	3,757
Amounts Available for Appropriation	<u>\$ 475,000</u>	<u>\$ 471,000</u>	<u>\$ 471,461</u>	<u>\$ 461</u>
<b>Charges to Appropriation (Outflows):</b>				
Small Asset Expenditures	\$	\$ 170	\$ 170	\$
Insurance Expense	27,110	25,600	25,536	(64)
Internet Access	590	580	578	(2)
Payroll Taxes	1,808	1,600	1,582	(18)
Professional Fees	186,760	185,800	185,765	(35)
Retirement Expense	15,585	14,500	14,264	(236)
Salaries	124,680	120,000	120,464	464
Seminars, Meetings & Travel	9,850	7,800	7,304	(496)
Supplies	120,700	116,820	118,149	1,329
Total Charges to Appropriation	<u>\$ 487,083</u>	<u>\$ 472,870</u>	<u>\$ 473,812</u>	<u>\$ 942</u>
Excess of Resources Over (Under) Charges for Appropriation	\$ (12,083)	\$ (1,870)	\$ (2,351)	\$ (481)
Fund Balance - Beginning	<u>150,147</u>	<u>150,147</u>	<u>150,147</u>	
Fund Balance - Ending	<u>\$ 138,064</u>	<u>\$ 148,277</u>	<u>\$ 147,796</u>	<u>\$ (481)</u>

See independent auditor's 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, 2018**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (Inflows):</b>				
Drug Screen Fees	\$ 300	\$ 420	\$ 385	\$ (35)
Supreme Court-TANF	127,500	114,000	120,000	6,000
Interest Income	<u>22</u>	<u>20</u>	<u>19</u>	<u>(1)</u>
Amounts Available for Appropriation	<u>\$ 127,822</u>	<u>\$ 114,440</u>	<u>\$ 120,404</u>	<u>\$ 5,964</u>
<b>Charges to Appropriation (Outflows):</b>				
Insurance Expense	\$ 5,600	\$ 5,700	\$ 5,729	\$ 29
Internet Access	111	121	121	
Office Supplies and Postage		100	142	42
Payroll Taxes	560	560	559	(1)
Professional Fees	56,400	56,515	56,515	
Retirement Expense	5,100	4,800	4,802	2
Salaries	40,000	40,200	40,331	131
Seminars, Meetings & Travel	2,150	1,350	2,444	1,094
Supplies	<u>17,579</u>	<u>11,100</u>	<u>10,795</u>	<u>(305)</u>
Total Charges to Appropriation	<u>\$ 127,500</u>	<u>\$ 120,446</u>	<u>\$ 121,438</u>	<u>\$ 992</u>
Excess of Resources Over (Under) Charges for Appropriation	\$ 322	\$ (6,006)	\$ (1,034)	\$ 4,972
Fund Balance - Beginning	<u>(15,712)</u>	<u>(15,712)</u>	<u>(15,712)</u>	
Fund Balance - Ending	<u>\$ (15,390)</u>	<u>\$ (21,718)</u>	<u>\$ (16,746)</u>	<u>\$ 4,972</u>

See independent auditor's 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, 2018**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.028780%	0.02822%	0.03213%	0.03841%
Employer's proportionate share of the net pension	\$ 2,025,986	\$ 2,216,304	\$ 2,185,121	\$ 2,401,548
Employer's covered employee payroll	\$ 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	382%	333%	358%	340%
Plan fiduciary net position as a percentage of the total pension liability	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.*

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

**B. PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.19072%	0.2330%	0.2152%	0.1892%
Employer's proportionate share of the net pension liability (asset)	\$ (141,561)	\$ 479,871	\$ 566,352	\$ 51,718
Employer's covered employee payroll	\$ 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	(12.06%)	34.72%	43.81%	4.16%
Plan fiduciary net position as a percentage of the total pension liability	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**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	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	228.46%	279.38%	246.02%	173.70%
Plan fiduciary net position as a percentage of the total pension liability	18.3%	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 auditor's report.

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

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 203,390	\$ 213,438	\$ 202,820	\$ 233,460	\$ 236,266
Contributions in relation to contractually required contributions	<u>214,090</u>	<u>213,438</u>	<u>224,359</u>	<u>249,993</u>	<u>254,614</u>
Contribution deficiency (excess)	(10,700)	0	(21,539)	(16,533)	(18,348)
Employer's covered employee payroll	\$ 697,805	\$ 530,660	\$ 665,869	\$ 609,748	\$ 705,740
Contributions as a percent of covered employee payroll	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**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 146,739	\$ 180,417	\$ 233,460	\$ 170,323	\$ 182,481
Contributions in relation to contractually required contributions	<u>146,739</u>	<u>179,638</u>	<u>180,151</u>	<u>178,874</u>	<u>182,481</u>
Contribution deficiency (excess)	0	779	53,309	(8,551)	0
Employer's covered employee payroll	\$ 1,173,912	\$ 1,381,831	\$ 1,292,676	\$ 1,242,323	\$ 1,424,838
Contributions as a percent of covered employee payroll	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**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,848	\$ 8,404	\$ 8,077	\$ 7,804	\$ 7,287
Contributions in relation to contractually required contributions	<u>8,848</u>	<u>8,404</u>	<u>8,077</u>	<u>7,804</u>	<u>7,287</u>
Contribution deficiency (excess)	0	0	0	0	0
Employer's covered employee payroll	\$ 32,469	\$ 30,840	\$ 28,640	\$ 29,510	\$ 28,640
Contributions as a percent of covered employee payroll	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.*

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018**

**CHANGES OF BENEFIT TERMS**

**A. Louisiana State Employees' Retirement System**

- A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session,
- Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

**B. Parochial Employees' Retirement System**

There were no changes of benefit terms for the year ended June 30, 2018.

**C. Louisiana Clerks' of Court Retirement and Relief Fund**

There were no changes of benefit terms for the year ended June 30, 2018.

**CHANGES OF ASSUMPTIONS**

**A. Louisiana State Employees' Retirement System**

There were no changes in terms for the year ended June 30, 2018.

**B. Parochial Employees' Retirement System**

For the actuarial valuation for the year ended December 31, 2016, the salary increase rate was reduced from 5.25% to 5.00%.

**C. Louisiana Clerks' of Court Retirement and Relief Fund**

There were no changes of benefit terms for the year ended June 30, 2018.

**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, 2018**

	2018	2017 (Restated)
The Court's proportion of the total collective OPEB Liability	0.0%	0.0%
The Court's proportionate share of the total collective OPEB Liability	\$ 1,867,884	\$ 1,937,928
The Court's covered payroll	\$ 697,805	\$ 532,837

Amounts presented were determined as of the measurement date (previous fiscal year end).

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

**SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
Statutorily required contribution	\$ 41,297	\$ 40,969
Contributions in relation to the statutorily required contribution	41,297	40,969
Annual contribution deficiency (excess)	\$ 0	\$ 0

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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, 2018.

**Changes of Assumptions**

The discount rate has been decreased from 3.80% to 3.13% since the previous valuation. Additionally, a discount rate of 2.71% was used to measure the liability using a measurement date of July 1, 2016. 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 2.71% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2017 and June 30, 2016, respectively. The discount rate used in the GASB 45 valuation was selected by the plan sponsor.

See independent auditor's report.



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

**SUPPLEMENTARY INFORMATION**

# 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, 2018, 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 14, 2018.

### **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 14, 2018

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

**SCHEDULE OF FINDINGS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund.
2. No significant deficiencies or material weaknesses are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Fourth Judicial District Court, Judicial Expense Fund were disclosed during the audit.
4. No management letter was issued in connection with the audit.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

No findings are reported.

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

**SUMMARY SCHEDULE OF PRIOR FINDINGS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

There were no findings in the prior year report.

See independent auditor's report.

**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, 2018**

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services Passed through the Louisiana Supreme Court <u>TANF Cluster:</u>				
Temporary Assistance of Needy Families	93.558			
Adult Drug Court		\$ 94,757	\$ 94,757	\$ 94,757
Juvenile Drug Court		<u>120,000</u>	<u>120,000</u>	<u>121,438</u>
Total TANF Cluster		<u>\$ 214,757</u>	<u>\$ 214,757</u>	<u>\$ 216,195</u>
Total U.S. Department of Health and Human Services		<u>\$ 214,757</u>	<u>\$ 214,757</u>	<u>\$ 216,195</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 Fourth Judicial District Court under programs of the federal government for the year ended June 30, 2017. 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 Fourth Judicial District Court, it is not intended to and does not present the financial position, changes in net assets, or cash flows of 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.

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

**SCHEDULE II - SCHEDULE OF JUDGES  
FOR THE YEAR ENDED JUNE 30, 2018**

Division A	Chief Judge Scott B. 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 Carl Van Sharp
Division H	Judge Larry Jefferson
Division I	Judge Alvin R. Sharp
Division J	Judge Robert C. Johnson
Division K	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, 2018**

	<u>Judicial Expense Fund</u>	<u>FINS Fund</u>	<u>Payroll Account</u>	<u>Combined Accounts</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 345,630	\$ 44,065	\$ 40,365	\$ 430,060
Accounts Receivable	695	54		749
Due From Other Governmental Units	21,310		1,014	22,324
Prepaid Expenses and Deposits	2,608		4,289	6,897
Due From Other Funds	<u>2,263</u>			<u>2,263</u> <sup>†</sup>
<b>Total Assets</b>	<u>\$ 372,506</u>	<u>\$ 44,119</u>	<u>\$ 45,668</u>	<u>\$ 460,030</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accrued and Other Liabilities	\$ 22,141	\$	\$ 3,504	\$ 25,645
Due to Other Governmental Units	20,575	6,223	65,347	92,145
Compensated Absences Payable	7,579			7,579
Due to Other Funds	<u>1,167</u>		<u>2,263</u>	<u>1,167</u> <sup>†</sup>
<b>Total Liabilities</b>	<u>\$ 51,462</u>	<u>\$ 6,223</u>	<u>\$ 71,114</u>	<u>\$ 126,536</u>
<b>Fund Balances</b>				
Nonspendable	\$ 2,608	\$	\$ 4,289	\$ 6,897
Restricted		37,896		37,896
Unassigned	<u>318,436</u>		<u>(29,735)</u>	<u>288,701</u>
<b>Total Fund Balances</b>	<u>\$ 321,044</u>	<u>\$ 37,896</u>	<u>\$ (25,446)</u>	<u>\$ 333,494</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 372,506</u>	<u>\$ 44,119</u>	<u>\$ 45,668</u>	<u>\$ 460,030</u>

† After internal receivables and payables have been eliminated.

See independent auditor's report.



**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, 2018**

	<u>Judicial Expense Fund</u>	<u>FINS Fund</u>	<u>Payroll Account</u>	<u>Combined Accounts</u>
<b>Revenues</b>				
Court Fees - Ouachita Parish	\$ 227,793	\$	\$	\$ 227,793
Court Fees - Morehouse Parish	38,593			38,593
Court Fees - Probation Review Court	2,666			2,666
Grant Revenue		51,372		51,372
Warrant Revenue - Ouachita Parish			956,431	956,431
Warrant Revenue - Morehouse Parish			117,528	117,528
Interest Income	2,830		356	3,186
Other Income	781		2,250	3,031
Transfers In From Other Funds				
Amounts Available for Appropriation	<u>\$ 272,663</u>	<u>\$ 51,372</u>	<u>\$ 1,076,565</u>	<u>\$ 1,400,600</u>
<b>Expenditures</b>				
Small Asset Expenditures	\$ 2,914	\$	\$	\$ 2,914
Court Reporter Costs	2,303			2,303
Insurance Expense	53,565	5,057	156,683	215,305
Internet Access	5,464	35		5,499
Miscellaneous	1,682		1,078	2,760
Office Supplies & Postage	11,660	6,089		17,749
Payroll taxes	2,700	433	10,954	14,087
Professional Fees	53,916	1,756	3,131	58,803
Reference Materials & Dues	4,471			4,471
Rent	13,414	240		13,654
Repair, Maintenance, & Warranty	4,964			4,964
Retirement Expense	15,924	3,841	177,921	197,686
Salaries	117,356	32,001	727,272	876,629
Seminars, Meetings, & Travel	48,175	1,931		50,106
Telephone Expense	8,541	184		8,725
Transfer Out to Other Funds				
Total Charges to Appropriation	<u>\$ 347,049</u>	<u>\$ 51,567</u>	<u>\$ 1,077,039</u>	<u>\$ 1,475,655</u>
Excess of Resources Over (Under)				
Charges for Appropriation	\$ (74,386)	\$ (195)	\$ (474)	\$ (75,055)
FUND BALANCE - BEGINNING	<u>395,430</u>	<u>38,091</u>	<u>(24,972)</u>	<u>408,549</u>
FUND BALANCE - ENDING	<u>\$ 321,044</u>	<u>\$ 37,896</u>	<u>\$ (25,446)</u>	<u>\$ 333,494</u>

See independent auditor's report.

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

**SCHEDULE V - SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
JUNE 30, 2018**

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

<u>Purpose</u>	
Per Diem	\$177
Travel	
Mileage	151
Parking, Tolls & Other Travel	37
Cell Phone	317
Other Reimbursements	273

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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, 2017 through June 30, 2018. 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:

### *Board or Finance Committee<sup>1</sup>*

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1. 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.<sup>2</sup> *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes*

<sup>1</sup> These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

<sup>2</sup> 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.

*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: One exception noted where the minutes did not reference or include monthly budget-to-actual comparisons.

Management's Response: The Court uses an external CPA to prepare their monthly financial statements. From time to time these statements are not ready for review by management on a monthly basis. The Court will reference the budget-to-actual comparisons as soon as they are available to be reviewed, but not less than quarterly.

### ***Bank Reconciliations***

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- 2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>3</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: No exceptions noted.

Management's Response: No response is required since no exceptions were noted for this area.

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.

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<sup>3</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

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 14, 2018