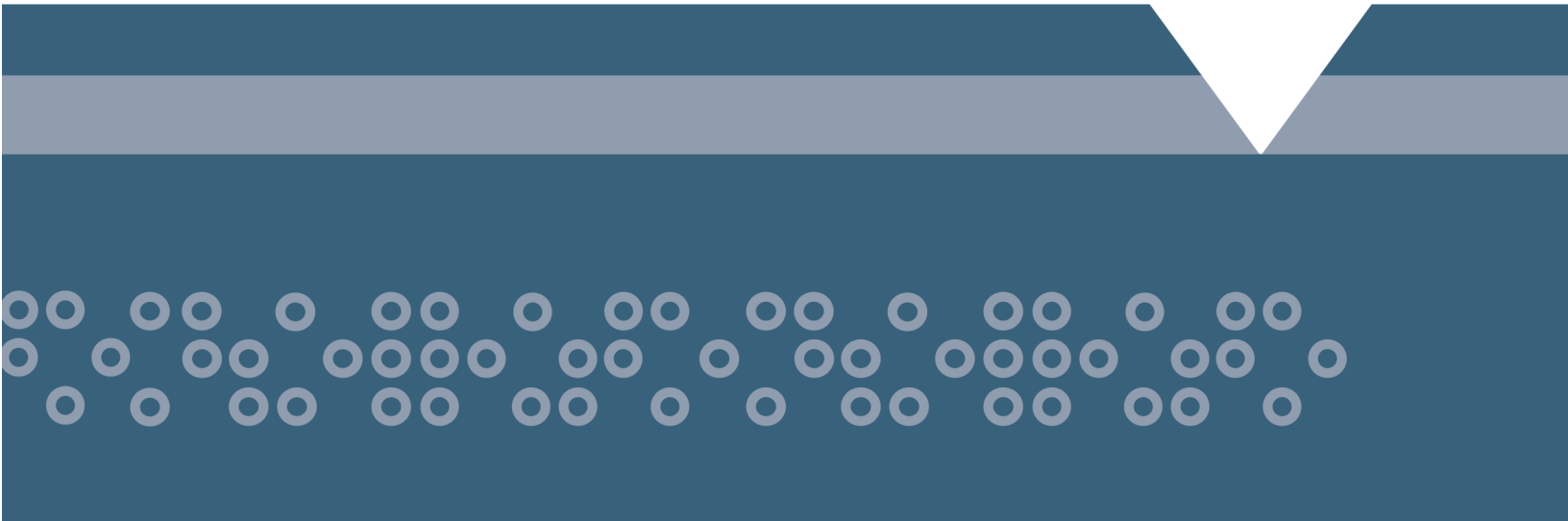


Section 5 Fund

First Judicial District Court, Caddo Parish

December 31, 2022



SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT

CADDO PARISH, LOUISIANA

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of the Section 5 Fund for the First Judicial District Court provides an overview of the Fund's financial activities for the fiscal years ended December 31, 2022 and 2021. Please read it in conjunction with the Fund's financial statements, which begin on Page 2.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on Pages 2 and 3) provide information about the activities of the Fund as a whole. Fund financial statements start on Page 4. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Fund's operations in more detail than the government-wide statements by providing information about the Fund's most significant funds. The accompanying financial statements present information only on the funds maintained by the Section 5 Fund.

Reporting the Funds Maintained by the Section 5 Fund as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the Judicial Expense Fund as a whole begins on Page 2. The Statement of Net Position and the Statement of Activities report information about the funds maintained by the Fund as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the Fund's *net position* and changes in net position. The Fund's net position - the difference between assets and liabilities - is one way to measure the Fund's financial health, or *financial position*. Over time, *increases or decreases* in the Fund's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the activities in the funds maintained by the Section 5 Fund as governmental activities.

Governmental activities - expenses related to, and resources provided for, administering the First District Court.

Reporting the Most Significant Funds Maintained by the Section 5 Fund

Our analysis of the major funds maintained by the Fund begins on Page 4. The fund financial statements provide detailed information about the most significant funds maintained by the Fund - not necessarily the Fund as a whole. The funds of the Judicial Expense Fund use the following accounting approaches.

Governmental fund - All of the Fund's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Fund's operations and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Fund expenses. There are no differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund financial statements.

THE FUNDS MAINTAINED BY THE JUDICIAL EXPENSE FUND AS A WHOLE

The Judicial Expense Fund’s total net position changed from a year ago, increasing from \$130,283 to \$159,891. This increase was 23.0% and amounted to \$29,652. Current assets increased during the year and exceeded expenditures resulting in a increase in net position.

**Table 1
Net Position**

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Current assets	159,891	130,283
Current liabilities	—	—
Net position:		
Unreserved and undesignated	<u>159,891</u>	<u>130,283</u>

**Table 2
Changes in Net Position**

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues		
Fees	28,373	130,283
Other	<u>1,279</u>	—
Total revenues	29,652	130,283
Expenses		
General governmental	<u>44</u>	—
Increase (decrease) in net position	<u>29,608</u>	<u>130,283</u>

For the funds maintained by the Section 5 Fund, total revenues decreased \$100,631, from total revenues in 2021 of \$130,283, to total revenues of \$29,652 in 2022.

In addition, total expenses increased by \$44, from \$-0- in 2021, to \$44 in 2022. This was due mainly to increased spending on miscellaneous court expenses in 2022.

CONTACTING THE JUDICIAL EXPENSE FUND’S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Section 5 Fund and to show the Fund’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Section 5 Fund of the First Judicial District Court, Caddo Parish, 501 Texas Street, Room G12, Shreveport, Louisiana, 71101.

COMPILED FINANCIAL STATEMENTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

Honorable Ramona Emanuel, Chief Judge
District Court Section 5 Fund for the First Judicial District Court
Caddo Parish, Louisiana

Management is responsible for the accompanying financial statements of the First Judicial District Court Section 5 Fund which comprise the government wide Statement of Net Position as of December 31, 2022 and 2021, and the related Statement of Activities, the fund Balance Sheet as of December 31, 2022 and 2021, and the related statement of Revenues, Expenditures, and Changes in Fund Balance, and the required supplementary information on pages 10 and 11 and the supplementary information on pages 12 through 13, for the years then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The accompanying 2021 financial statements were previously audited by us and we concluded that we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America in our report dated November 9, 2022. We have not performed any procedures in connection with that audit engagement since that date.

Heard, McElroy & Vestal, LLC
Shreveport, Louisiana
June 30, 2023

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash	157,314
Receivables	<u>2,577</u>
Total assets	<u>159,891</u>
 <u>LIABILITIES AND NET POSITION</u>	
<u>Net position:</u>	
Unrestricted	<u>159,891</u>
Total net position	<u>159,891</u>
Total liabilities and net position	<u>159,891</u>

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

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Program revenue:</u>	
Civil fees	28,373
Interest earned	<u>1,279</u>
Total program revenue	<u>29,652</u>
<u>Net revenue</u>	29,652
<u>Program expenses:</u>	
General governmental	<u>44</u>
Total program expenses	<u>44</u>
<u>Net expenses</u>	44
<u>Change in net position</u>	29,608
<u>Net position-beginning of year</u>	<u>130,283</u>
<u>Net position-end of year</u>	<u>159,891</u>

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

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

BALANCE SHEET-GOVERNMENTAL FUND

DECEMBER 31, 2022

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	157,314
Receivables-Note 3	<u>2,577</u>
Total assets	<u>159,891</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Fund balance:	
Spendable-unassigned	<u>159,891</u>
Total liabilities and fund balance	<u>159,891</u>
Total fund equity for the governmental fund	<u>159,891</u>
Total net position of the governmental activities	<u>159,891</u>

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

SECTION 5 FUND
FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General Fund</u>
<u>Revenues:</u>	
Civil fees	28,373
Interest earned	<u>1,279</u>
Total revenues	29,652
<u>Expenses:</u>	
General governmental	<u>44</u>
Total expenses	29,608
<u>Excess of revenues over expenditures</u>	29,608
<u>Fund balance at beginning of year</u>	<u>130,283</u>
<u>Fund balance at end of year</u>	<u><u>159,891</u></u>
Excess of revenues over expenditures	<u><u>29,608</u></u>
Change in net position of governmental activities	<u><u>29,608</u></u>

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

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

Introduction

The Section 5 Fund for the First Judicial District Court was established by Louisiana Revised Statutes 13:996.16-18 for the purpose of administering the district court or the offices of the individual judges of the court. Operations of the District Court Section 5 Fund for the First Judicial District Court are funded by court costs on criminal charges and costs on civil suits that are not exempted from court costs.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Section 5 Fund have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Fund's overall financial position and results of operations.
- Governmental-Wide Financial statements.
- Fund Financial Statements

The Section 5 Fund's basic financial statements include both Government-Wide (reporting the Fund as a whole) and fund financial statements (reporting the Fund's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Section 5 Fund's functions and programs have been classified as governmental activities. The Fund does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Position, the governmental type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

1. Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Activities reports both the gross and net cost of the Fund's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost.

The Government-Wide Statements focus upon the District Court Section 5 Fund's ability to sustain operations and the change in its net position resulting from the current year's activities.

The financial transactions of the Section 5 Fund are reported in individual funds in the Fund Financial Statements. The General Fund is the entity's primary operating fund. It accounts for all financial resources of the Fund, except those required to be accounted for in another fund. It is the only fund on the Section 5 Fund's financial statements and therefore, the only major fund.

Reporting Entity

The First Judicial District Court Section 5 Fund ("Fund") is the basic level of government, which has financial accountability and control over all activities related to providing administrative functions to the district court or the offices of the individual judges of the court. The Fund is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Judges of the First Judicial District are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Measurement Focus and Basis of Accounting:

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

1. Summary of Significant Accounting Policies (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District Court Section 5 Fund has elected not to follow subsequent private-sector guidance because it does not have any business-type activities or enterprise funds.

B. Budget

The District Court Section 5 Fund has not adopted a budget. The budget will be adopted and amended, as necessary, by the district judges. All appropriations contained in the budget lapse at year end, and encumbrance accounting is not used by the Fund.

C. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the District Court Section 5 Fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The fund may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their maturities at purchase exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

D. Fund Equity in Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning in 2011, the Fund implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The District Court Section 5 Fund's unassigned fund balance is the entity's only fund equity type. This classification is the residual fund balance for the District Court Section 5 Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the District Court Section 5 Fund.

E. Net Position

The content and certain titles of the government-wide financial statements were changed upon the adoption by the Fund in 2012 of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the financial statements, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Fund had no deferred outflows or inflows of resources at December 31, 2022.

1. Summary of Significant Accounting Policies (Continued)

Accordingly, the statement of net position presents information on all of the Fund's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Fund is improving or deteriorating.

2. Cash and Cash Equivalents

At December 31, 2022, the District Court Section 5 Fund had cash and cash equivalents (book balances) totaling \$159,891 in the Caddo Parish Commission cash and investment pool.

Cash and cash equivalents are stated at cost, which approximates fair value. Under state law, these deposits must be secured by federal deposit insurance or pledge of qualifying securities owned by the bank. The fair value of the qualifying pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. At December 31, 2022, deposit balances (bank balances) are fully secured by federal deposit insurance and qualified pledged securities. Information on the aggregate deposits of the Caddo Parish Commission and how they are secured is available in the financial statements of the Caddo Parish Commission.

3. Receivables

The following is a summary of receivables at December 31, 2022:

<u>Class of Receivables</u>	
Court cost and fines	<u>2,577</u>
Total receivables	<u>2,577</u>

4. Expenditures of the Judicial District Not Included in the Accompanying Financial Statements

The accompanying financial statements do not include certain salary expenditures for the district court paid out of the funds of the Caddo Parish Commission or directly by the state.

5. Litigation

There is no litigation pending against the District Court Section 5 Fund at December 31, 2022.

6. Subsequent Events

Management has evaluated subsequent events through June 30, 2023, the date which the financial statements were available to be issued, and the following significant subsequent event was noted.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

(Unaudited)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Criminal fees	-	28,373	28,373
Interest earned	-	1,279	1,279
Total revenues	-	28,373	29,652
<u>Expenditures:</u>			
General administration	-	44	(44)
Total expenditures	-	44	(44)
<u>Excess (deficit) of revenues over expenditures</u>	-	29,608	29,608
<u>Fund balance-beginning of year</u>	-	130,283	130,283
<u>Fund balance-end of year</u>	-	159,891	159,891

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2022

(Unaudited)

1. Budget

Refer to Note 1 of the government-wide financial statements for details regarding the budget process.

SUPPLEMENTARY INFORMATION

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED DECEMBER 31, 2022

Roy L. Brun, Judicial Administrator

Salary-Expense Fund \$-0-

David McClatchey, Judicial Administrator

Salary and benefits-other sources (unaudited) \$-0-

SECTION 5 FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

JUSTICE SYSTEM FUNDING – RECEIVING SCHEDULE

AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>January 2022 - June 2022</u>	<u>July 2022 - December 2022</u>
Receipts From:		
Caddo Parish Sheriff, Criminal Court Costs and Fees	<u>12,314</u>	<u>13,482</u>
Subtotal Receipts	<u>12,314</u>	<u>13,482</u>
Ending Balance of Amounts Assessed but Not Received	<u>-</u>	<u>-</u>