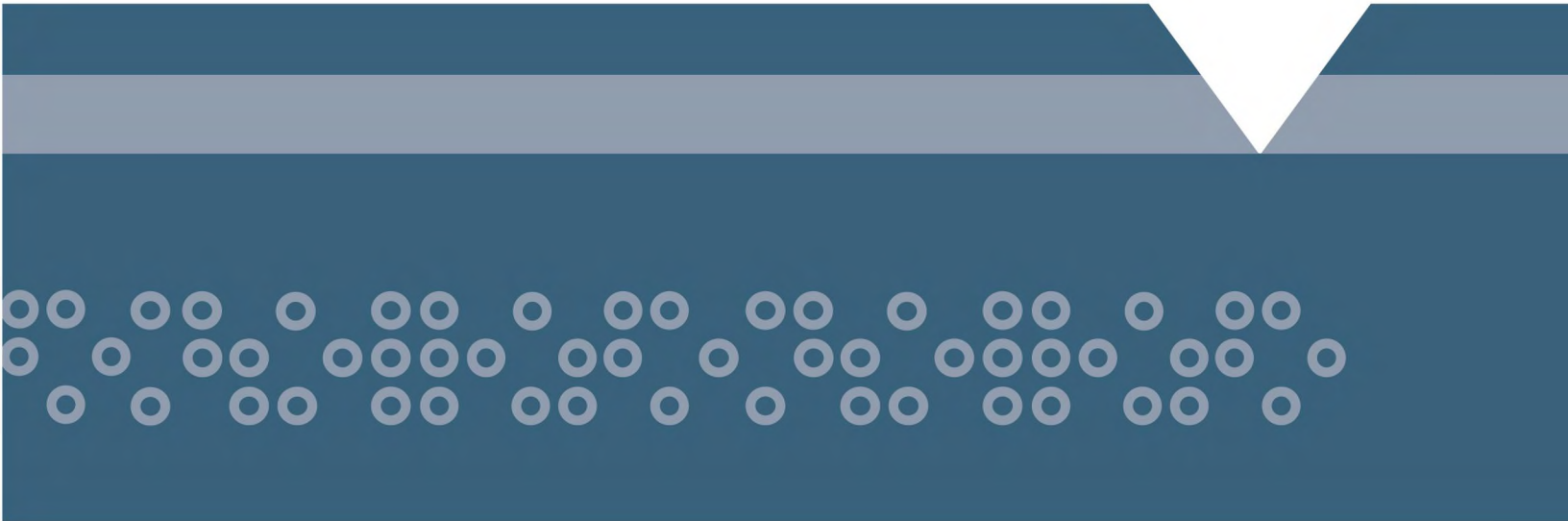


Child Support Fund

First Judicial District Court, Caddo Parish

December 31, 2022



CHILD SUPPORT 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 Child Support Fund of the First Judicial District Court, Caddo Parish 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 4.

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 4 and 5) provide information about the activities of the Fund as a whole. Fund financial statements start on Page 6. 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 Child Support Fund.

Reporting the Funds Maintained by the Child Support Fund as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the Child Support Fund as a whole begins on Page 4. 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 Child Support Fund's *net position* and changes in them. 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 Child Support Fund as governmental activities:

Governmental activities - expenses related to, and resources provided for, the support of hearing officers to process cases referred by the Support Enforcement Services.

Reporting the Most Significant Funds Maintained by the Child Support Fund

Our analysis of the major funds maintained by the Child Support Fund begins on Page 6. The fund financial statements provide detailed information about the most significant funds maintained by the Fund - not necessarily the Fund as a whole. The Child Support Fund uses 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.

THE FUNDS MAINTAINED BY THE CHILD SUPPORT FUND AS A WHOLE

The Child Support Fund’s total net position changed from a year ago, decreasing from \$1,707,540 to \$1,405,958. This decrease amounted to \$301,582 or 20.8%. Current assets decreased during the year, as expenses were higher than current revenues.

**Table 1
Net Position**

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Current assets	1,422,054	1,723,654
Current liabilities	<u>(16,096)</u>	<u>(16,114)</u>
Net position:		
Unreserved and undesignated	<u>1,405,958</u>	<u>1,707,540</u>

**Table 2
Changes in Net Position**

	<u>Government-Wide Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues		
Support Enforcement Collections	632,356	623,341
Other	<u>(43,978)</u>	<u>(7,680)</u>
Total revenues	588,378	615,661
Expenses		
General governmental	<u>889,960</u>	<u>830,056</u>
Increase (decrease) in net position	<u>(301,582)</u>	<u>(214,395)</u>

For the funds maintained by the Child Support Fund, total revenues decreased \$27,283, from total revenues in 2021 of \$615,661, to total revenues of \$588,378 in 2022. Revenues for this Fund fluctuate due to the amount of court activity during the year and consist of court fees, which are received from the State of Louisiana in monthly lump sums.

In addition, total expenses increased by \$59,904, from \$830,056 in 2021, to \$889,960 in 2022. Expenses for the Child Support Fund are made up of salaries and related benefits paid to the hearing officer and other court reporters.

CONTACTING THE CHILD SUPPORT 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 Child Support 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 Child Support Fund of the First Judicial District Court, Caddo Parish, 501 Texas Street, Room G12, Shreveport, Louisiana 71101.

AUDITED 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
Child Support Fund for the First Judicial District Court
Caddo Parish, Louisiana

Independent Auditor's Report

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the Child Support Fund of the First Judicial District (“the Fund”) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fund’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Child Support Fund for the First Judicial District as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Child Support Fund for the

First Judicial District Court's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages i through iii and budgetary comparison information on Pages 14 and 15 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 16 and 17 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on page 16 and 17 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of Child Support Fund for the First Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Child Support Fund for the First Judicial District Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Child Support Fund for the First Judicial District Court's internal control over financial reporting and compliance.

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

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents	184,190
Investments	1,180,978
Receivables	<u>56,886</u>
Total assets	<u>1,422,054</u>
<u>LIABILITIES AND NET POSITION</u>	
Liabilities:	
Accounts payable	<u>16,096</u>
Total liabilities	<u>16,096</u>
Net position:	
Unrestricted	<u>1,405,958</u>
Total net position	<u>1,405,958</u>
Total liabilities and net position	<u>1,422,054</u>

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

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Expenses:</u>	
Governmental activities:	
Salaries and related benefits	603,698
General administration	<u>286,262</u>
Total expenses	889,960
<u>Program revenue:</u>	
Support enforcement collections	<u>632,356</u>
<u>Net revenue (expenses)</u>	(257,604)
<u>General loss:</u>	
Interest and investment loss	<u>(43,978)</u>
<u>Change in net position</u>	(301,582)
<u>Net position-beginning of year</u>	<u>1,707,540</u>
<u>Net position-end of year</u>	<u>1,405,958</u>

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

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUND
DECEMBER 31, 2022

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	184,190
Investments	1,180,978
Receivables	<u>56,886</u>
Total assets	<u>1,422,054</u>
<u>FUND BALANCE</u>	
Liabilities:	
Accounts payable	<u>16,096</u>
Total liabilities	<u>16,096</u>
Fund balance:	
Spendable-unassigned	<u>1,405,958</u>
Total liabilities and fund balance	<u>1,422,054</u>
Total fund equity for the governmental fund	<u>1,405,958</u>
Total net position of the governmental activities	<u>1,405,958</u>

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

CHILD SUPPORT FUND FOR THE 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>	
Support enforcement collections	632,356
Use of money and property-interest loss	<u>(43,978)</u>
Total revenues	588,378
<u>Expenditures:</u>	
General government-judicial:	
Salaries and related benefits	603,698
General administration	<u>286,262</u>
Total expenditures	<u>889,960</u>
<u>Excess of expenditures over revenues</u>	(301,582)
<u>Fund balance at beginning of year</u>	<u>1,707,540</u>
<u>Fund balance at end of year</u>	<u>1,405,958</u>
Excess of expenditures over revenues	<u>301,582</u>
Change in net position of governmental activities	<u>(301,582)</u>

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

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

Introduction

The Child Support Fund for the First Judicial District Court was established by Louisiana Revised Statutes 46:236.5 for the purpose of providing hearing officers to process all cases referred by Support Enforcement Services. Operations of the Child Support Fund for the First Judicial District Court are funded by a five (5) percent administration fee as authorized by R.S.46.236.5(B)(1).

The First Judicial District Court has entered into a cooperative endeavor agreement between Louisiana Department of Social Services, Office of Family Support, and Support Enforcement Services as of April 1, 2000 to provide services as outlined in R.S.46:236.5.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Child Support 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 basic 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.

B. Reporting Entity

The First Judicial District Child Support Fund ("Fund") is the basic level of government, which has financial accountability and control over all activities related to providing hearing officers to process cases referred by Support Enforcement Services. 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.

C. Government-Wide and Fund Financial Statements

The Child Support 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

1. Summary of Significant Accounting Policies (Continued)

primary activities as either governmental or business type. The Child Support 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.

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 Child Support 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 Child Support 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 Child Support Fund's financial statements and therefore, the only major fund.

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 Child Support Fund has elected not to follow subsequent private-sector guidance because it does not have any business-type activities or enterprise funds.

D. Budget

The Child Support Fund adopts an annual budget for the General Fund for management control purposes. The budget was prepared on the modified accrual basis of accounting and was adopted in December 2021. The budget is adopted and amended, as necessary, by the district judges. There were no amendments to the adopted budget throughout the current year. All appropriations contained in the budget lapse at year end, and encumbrance accounting is not used by the Fund.

E. 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 Child Support 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.

F. Compensated Absences

Employees of the Child Support Fund for the First Judicial District Court work for a one-year period as law clerks. These employees receive two weeks of paid vacation leave each year and eight hours of sick leave each month. Vacation leave may be accumulated only if the law clerk is employed for a second year. Employees are not compensated for any unused vacation or sick leave upon separation of service. At December 31, 2022, there are no material accumulated and vested leave benefits that require disclosure or accrual to conform with accounting principles generally accepted in the United States of America.

G. 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 Child Support Fund's unassigned fund balance is the entity's only fund equity type. This classification is the residual fund balance for the Child Support 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 Child Support Fund.

1. Summary of Significant Accounting Policies (Continued)

H. Net Position

The content and certain titles of the 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.

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 Child Support Fund had cash and cash equivalents (book balances) totaling \$184,190 in the Caddo Parish Commission cash 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 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. 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>	
La. Department of Social Services, Office of Family Support	53,473
Interest receivable	<u>3,413</u>
Total receivables	<u>56,886</u>

4. Pension Plan

Judges of the district court are members of the State Employees Retirement System of Louisiana. Salaries of the judges and the employer's portion of retirement contributions are paid by the State Supreme Court and are not included in the accompanying financial statements.

Employees (law clerks) of the First Judicial District Court are members of the Parochial Employees Retirement System (PERS) or members of the Caddo Parish Employee Retirement System (CPERS). Both PERS and CPERS are retirement systems, controlled and administered by separate boards of trustees. Generally, all full-time employees are eligible to participate in the system of their choice, with employee benefits vesting after 10 years of service.

4. Pension Plan (Continued)

Although employees (law clerks) of the Fund are appointed for one-year terms as law clerks, they are required to become members of a Retirement System, and are required to contribute to a system; however, the employees do not remain in a system for sufficient time to become vested. Pension costs for the employees of the Fund are reported in the accompanying financial statements.

PERS is composed of three distinct plans (Plan A and Plan B) with separate assets and benefit provisions. Plan A was designed for employers out of the Social Security System, and Plan B was designed for employers that remained in the Social Security System as of January 1, 1980. None of the Child Support Fund's employees are in Plan B. Three employees of the Child Support Fund were members of PERS Plan A as of December 31, 2022, and for the year then ended. Total payroll covered by the Fund was \$190,702. The statutorily required contribution by the Fund for the year ended December 31, 2022, for Plan A was \$21,931, which was entirely made up of the employer contribution. The actual contribution made by the Fund to Plan A was \$21,931.

During 2022, there were six employees who were members of CPERS. Total payroll covered by the Fund was \$198,808. The statutorily required contribution by the Fund for the year ended December 31, 2022, was \$22,863, which was entirely made-up of the employer contribution. The actual contribution made by the Fund to CPERS was \$22,863.

Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees of Plan A to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. During 2022, the Fund was required to contribute 11.5% of the salary of each employee covered by Plan A as an employer match.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2022 comprehensive annual financial report. The district court does not guarantee the benefits granted by the System.

Effective April 10, 2000, the Parish established the Employee's Retirement System (ERS) to provide retirement benefits for certain employees who are not members of the Parochial Retirement System; a plan under IRS Code Section 457.

Under the ERS plan, the Parish contributes 11.5% of the employees' salaries to the 457 plan. Certain vesting requirements must be met and the contributions are invested at the direction of the employee.

5. **Litigation**

There is no litigation pending against the Child Support Fund at December 31, 2022.

6. **Investments**

Investments are included in the Caddo Parish Commission investment pool, consisting of Federal Home Loan Bank notes, FHMA notes and treasury notes. These investments are fully secured by pledged securities at December 31, 2022.

7. **Subsequent Event**

Management has evaluated subsequent events through June 30, 2023, the date which the financial statements were available to be issued. No subsequent events were noted.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

CHILD SUPPORT FUND FOR THE 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>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Support Enforcement Collections	590,000	632,356	42,356
Use of money and property- interest earnings	<u>-</u>	<u>(43,978)</u>	<u>(43,978)</u>
Total revenues	590,000	588,378	(1,622)
<u>Expenditures:</u>			
General government-judicial:			
Salaries and related benefits	611,500	603,698	7,802
General administration	<u>288,750</u>	<u>286,262</u>	<u>2,488</u>
Total expenditures	<u>900,250</u>	<u>889,960</u>	<u>10,290</u>
<u>Excess of revenues over/under expenditures</u>	(310,250)	(301,582)	8,668
<u>Fund balance at beginning of year</u>	<u>1,707,540</u>	<u>1,707,540</u>	<u>-</u>
<u>Fund balance at end of year</u>	<u>1,397,290</u>	<u>1,405,958</u>	<u>8,668</u>

CHILD SUPPORT FUND FOR THE 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

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

David McClatchey, Judicial Administrator

Salary and benefits-Child Support Fund	-0-
Salary and benefits-other sources (unaudited)	125,268

CHILD SUPPORT FUND FOR THE 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 -</u> <u>June 2022</u>	<u>July 2022 -</u> <u>December 2022</u>
Receipts From:		
Support Enforcement Services	<u>262,846</u>	<u>316,038</u>
Subtotal Receipts	<u>262,846</u>	<u>316,038</u>
Ending Balance of Amounts Assessed but Not Received	<u>-</u>	<u>-</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS



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

June 30, 2023

Honorable Romona Emanuel, Chief Judge
Child Support Fund for the First Judicial District Court
Caddo Parish, Louisiana

**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**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Child Support Fund for the First Judicial District Court as of and for the year ended December 31, 2022.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned cost as item 2022-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Child Support Fund for the First Judicial District Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned cost as item 2022-02.

Management's Response to Findings

The Fund's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs as item 2022-01. The Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

We have audited the financial statements of the Child Support Fund for the First Judicial District Court as of and for the year ended December 31, 2022, and have issued our report thereon dated June 30, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2022 resulted in an unmodified opinion.

Section I – Summary of Auditor’s Reports

1. The auditor’s report expresses an unmodified opinion on the basic financial statements of the First Judicial District Court – Child Support Fund.
2. One material weakness is reported for the year ended December 31, 2022.
3. Federal Awards – Single audit, not applicable
4. One instance of noncompliance was disclosed during the audit.

Section II – Financial Statement Findings

2022 – 01

Condition and Criteria: As is common in small operations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the audited financial statements. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and audited financial statements, complete with note disclosures in accordance with generally accepted accounting principles, have not been established nor does management have the ability to perform these functions in-house. This condition, even though intentional, represents a material weakness in internal control under current generally accepted auditing standards, and results from management’s need to balance the entity’s financial complexity with the appropriate level of accounting expertise. It is not cost-effective for the entity to prepare its financial statements in-house.

Effect and Recommendation: Although generally accepted auditing standards require preparation of year-end adjusting entries and financial statements with note disclosures by the audited entity, prudent management dictates that the potential benefit from an internal control must exceed its cost. In this case, both management and the auditor do not believe that curing the control deficiency is cost effective, and do not believe that any corrective action is required.

CHILD SUPPORT FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

Item 2022-01 on Page 20 was a repeat finding and reported as 2021-01.