

**THE THIRTY-NINTH JUDICIAL DISTRICT
JUDICIAL EXPENSE FUND**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2023**

The Thirty-Ninth Judicial District - Judicial Expense Fund
Financial Report
June 30, 2023

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Thirty-Ninth Judicial District Court

P.O. Box 401

Coushatta, LA 71019

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2023

This section of the Thirty-Ninth Judicial District Court's (hereafter referred to as the Court) annual financial report presents an overview and analysis of the Court's financial activities for the year ended June 30, 2023. The intent of the MD&A is to look at the Court's financial performance as a whole. It should, therefore, be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Court's operations.

Financial Highlights

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 presents a longer-term view of the Court's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Court's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Court's net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.
- The Statement of Activities presents the information showing how the Court's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the Court are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Court conducts its day-to-day operations through two major governmental funds, the General Fund and the FINS Fund. These statements provide a short-term view of the Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Court.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current Assets	\$ <u>38,678</u>	\$ <u>23,833</u>
LIABILITIES:		
Accounts Payable	\$ <u>3,657</u>	\$ <u> 0</u>
NET POSITION:		
Unrestricted	\$ <u>35,021</u>	\$ <u>23,833</u>

Summary of Statement of Activities

	<u>2023</u>	<u>2022</u>
REVENUES:		
Fees, Fines, Court Costs	\$ 58,084	\$20,451
Operating Grants & Contributions	75,173	32,784
Interest	<u> 12</u>	<u> 2</u>
Total Revenues	\$133,269	\$53,237
EXPENSES:		
Judicial	<u>122,080</u>	<u>49,113</u>
Change in Net Position	\$ <u>11,189</u>	\$ <u>4,124</u>

Governmental Activities

- The Court's assets exceeded its liabilities by \$35,021 (net position) for the year. This is an increase of \$11,189 from the prior year.

Contacting the Court

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Court's finances and to show the Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Court at P. O. Box 401, Coushatta, LA 71019.

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The Honorable Luke Mitchell, District Judge
The Thirty-Ninth Judicial District Court – Judicial Expense Fund
P. O. Box 401
Coushatta, LA 71019

Management is responsible for the accompanying financial statements of the governmental activities and each major fund of the Thirty-Ninth Judicial District Court (the Court), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents, 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 American Institute of Certified Public Accountants. 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. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 1-3 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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. Such information is the responsibility of management. Management has omitted the Budgetary Comparison Schedules that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head and Justice System Funding Schedule – Receiving Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Thomas, Cunningham Broadway & Todtenbier, CPAs

Thomas, Cunningham, Broadway & Todtenbier
Natchitoches, Louisiana

December 4, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Statement of Net Position
June 30, 2023

ASSETS:

Current Assets-

Cash & Cash Equivalents \$38,678

LIABILITIES:

Accounts Payable \$ 3,657

NET POSITION:

Unrestricted \$35,021

See accompanying notes and independent accountant's compilation report.

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Statement of Activities
For the Year Ended June 30, 2023

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines, Commissions, And Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Judicial	<u>\$122,080</u>	<u>\$58,084</u>	<u>\$75,173</u>	\$11,177
General Revenues:				
				<u>12</u>
				\$11,189
				<u>23,832</u>
				<u>\$35,021</u>

See accompanying notes and independent accountant's compilation report.

FUND FINANCIAL STATEMENTS

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Balance Sheet-Governmental Funds
June 30, 2023

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>FINS Fund</u>	
ASSETS:			
Cash & Cash Equivalents	<u>\$35,821</u>	<u>\$2,857</u>	<u>\$38,678</u>
LIABILITIES:			
Accounts Payable	\$ 800	\$2,857	\$ 3,657
FUND BALANCE:			
Unassigned	<u>35,021</u>	<u>0</u>	<u>35,021</u>
Total Liabilities and Fund Balance	<u>\$35,821</u>	<u>\$2,857</u>	<u>\$38,678</u>

See accompanying notes and independent accountant's compilation report.

The Thirty-Ninth Judicial District - Judicial Expense Fund
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2023

Net Change in Fund Balance - Governmental Funds	<u>\$35,021</u>
Net Change in Net Position, per Statement of Activities	<u>\$35,021</u>

See accompanying notes and independent accountant's compilation report.

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances-Governmental Funds
For the Year Ended June 30, 2023

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>FINS Fund</u>	
REVENUES:			
Fees & Fines	\$23,800	\$ 0	\$ 23,800
Intergovernmental-			
State of Louisiana	0	34,284	34,284
Red River Parish Police Jury	75,173	0	75,173
Miscellaneous-			
Interest	<u>12</u>	<u>0</u>	<u>12</u>
Total Revenues	<u>\$98,985</u>	<u>\$34,284</u>	<u>\$133,269</u>
EXPENDITURES:			
Current-			
Judicial-			
Personnel Costs	\$75,173	\$ 0	\$ 75,173
Operating and Administrative	12,623	0	12,623
Fees Paid to Others	<u>0</u>	<u>34,284</u>	<u>34,284</u>
Total Expenditures	<u>\$87,796</u>	<u>\$34,284</u>	<u>\$122,080</u>
Excess (Deficiency) of Revenues over Expenditures	\$11,189	\$ 0	\$ 11,189
Fund Balance-Beginning of Period	<u>23,832</u>	<u>0</u>	<u>23,832</u>
Fund Balance-End of Period	<u>\$35,021</u>	<u>\$ 0</u>	<u>\$ 35,021</u>

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balance-Governmental Funds	<u>\$11,189</u>
Net Change in Net Position per Statement of Activities	<u>\$11,189</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Notes to Financial Statements
June 30, 2023

Introduction

The Thirty-Ninth Judicial District Court (the Court) was created by LSA-RS 13:996.58. The judge of the Thirty-Ninth Judicial District, who is an elected official, has control over the Court and all disbursements made therefrom. The Thirty-Ninth Judicial District encompasses Red River Parish, Louisiana.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in accordance with GASB Statement No. 14, the Thirty-Ninth Judicial District Court includes all funds that are within the oversight responsibility of the Court. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the Court is deemed to be a separate reporting entity. Certain units of local government over which the Court exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Court.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report 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 non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Notes to Financial Statements
June 30, 2023

C. Fund Accounting-

The accounts of the Court are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

There are two funds that are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or if its total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The major funds of the Court are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund-

FINS

Families in Need of Services (FINS) became effective in all courts having juvenile jurisdiction on July 1, 1994, as Title VII of the Louisiana Children's Code. The FINS process is designed to identify and integrate existing service providers, connect families to needed services, to promote the establishment of new services or programs where gaps in services have been identified. The FINS Fund accounts for the collection and expenditures of maintaining the juvenile jurisdiction.

D. Measurement Focus Basis of Accounting-

Basis of accounting refers to when revenues or 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 Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Notes to Financial Statements
June 30, 2023

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Court as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they are both 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 pay liabilities of the current period. The Court considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Court.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The Thirty-Ninth Judicial District - Judicial Expense Fund
 Parish of Red River, Louisiana
 Notes to Financial Statements
 June 30, 2023

The range of useful lives by type of asset is as follows:

Fixtures & Equipment	5-7 years
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Equity Classifications-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted 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, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net resources are available, the Court applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Court at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Notes to Financial Statements
June 30, 2023

- d Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund has an unassigned fund balance of \$35,021. If applicable, the Court would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Thirty-Ninth Judicial District Court are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Court will not be able to recover its deposits. 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Court's name.

At June 30, 2023, the Court had \$38,678 in deposits (collected bank balances). These deposits were fully secured from risk with federal deposit insurance.

3. Compensated Absences:

Employees of the Thirty-Ninth Judicial District Court cannot carry leave forward from year to year. Therefore, there is no entry made for compensated absences.

The Thirty-Ninth Judicial District - Judicial Expense Fund
Parish of Red River, Louisiana
Notes to Financial Statements
June 30, 2023

4. Litigation:

Management has advised that there is no litigation pending against the Thirty-Ninth Judicial District Court at June 30, 2023.

5. Subsequent Events:

Management has evaluated events through December 4, 2023, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

SUPPLEMENTARY INFORMATION

The Thirty-Ninth Judicial District – Judicial Expense Fund
Parish of Red River, Louisiana
Schedule of Compensation, Benefits and Other
Payments to Agency Heads
For the Year Ended June 30, 2023

Agency Head: The Honorable Luke D. Mitchell

Per Diem	\$0
Mileage Reimbursement	0

Thirty-Ninth Judicial District Court – Judicial Expense Fund
Justice System Funding Schedule – Receiving Entity
For the Year Ended June 30, 2023

Justice System Funding Schedule – Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information

Entity Name	Thirty-Ninth Judicial District Court – Judicial Expense Fund
LLA Entity ID #	8740
Date that reporting period ended	June 30, 2023

Cash Basis Presentation

First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 6/30/2023
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Receipts From:

Red River Parish Sheriff, Criminal Fines – Other	\$ 0	\$ 0
Red River Parish Sheriff, Criminal Court Costs/Fees	2,378	3,051
Red River Parish Sheriff, Bond Fees	4,965	4,604
Red River Parish Clerk of Court, Civil Fees	<u>0</u>	<u>0</u>

Subtotal Receipts	\$7,343	\$7,655
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Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)	\$ 0	\$ 0
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