

**THIRTY-NINTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
Red River Parish, Louisiana**

**Financial Statements**  
For the year ended June 30, 2018

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**  
**FINANCIAL REPORT**  
June 30, 2018

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# Dees Gardner, Certified Public Accountants, LLC

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## Independent Accountant's Review Report

Brian McRae, Chief Defender  
Thirty-ninth Judicial District Indigent Defender Fund  
Red River Parish, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Thirty-ninth Judicial District Indigent Defender Fund as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the Thirty-ninth Judicial District Indigent Defender Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

The Fund's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Thirty-ninth Judicial District Indigent Defender Fund in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### Required and Other Supplemental Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information included in the budgetary comparison and schedule of compensation, benefits, and other payments has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto. The information included in the management's discussion and analysis has not been subjected to the inquiry and an analytical procedure applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the management's discussion and analysis.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated September 24, 2018, on the results of our agreed-upon procedures as listed in the table of contents. Also presented as required is the Louisiana Attestation Questionnaire.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
September 24, 2018

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

## **THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND** **Red River Parish, Louisiana**

Management's Discussion and Analysis  
For the Year Ending June 30, 2018

This section of the Thirty-ninth Judicial District Indigent Defender Fund's (Indigent Defender Fund) annual financial report presents our discussion and analysis of the Indigent Defender Fund's financial performance during the year ending June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Indigent Defender Fund's basic financial statements and supplementary information in assessing the efficiency and effectiveness of our stewardship of public resources.

### **FINANCIAL HIGHLIGHTS**

The Thirty-ninth Judicial District Indigent Defender Fund experienced an increase in its net position of \$64,261 (583%) during the year ended June 30, 2018. At June 30, 2018, the assets of the Indigent Defender Fund exceeded its liabilities by \$75,277.

The Indigent Defender Fund's total general and program revenues increased \$210,564 or 68% during the year ended June 30, 2018, compared to \$125,292 during year ended June 30, 2017.

The Indigent Defender Fund's governmental fund reported a total ending fund balance this year of \$75,277. This compares to the prior year ending fund balance of \$11,016, showing an increase of \$64,261 (583%) for the current year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which include 1) governmental fund financial statements, 2) government-wide financial statements and 3) notes to the financial statements. The two types of financial statements present the Fund's financial position and results of operations from differing perspectives. A reconciliation is provided to facilitate the comparison between the governmental fund statements and the government-wide statements. The components of the financial statements are described below:

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Indigent Defender Fund's most significant activities and are not intended to provide information for the Indigent Defender Fund as a whole. Funds are accounting devices that are used to account for specific sources of revenues. All of the Indigent Defender Fund's funds are limited to its *general fund*, which is classified as a Governmental Fund. The *general fund* uses a modified accrual basis of accounting that focuses on near-term inflows, outflows, and balances of spendable resources. Assets reported by the *general fund* are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets. Unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

#### **Government-Wide Financial Statements**

The *government-wide financial statements* report information about the Indigent Defender Fund as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. The *statement of net position* presents information on all the Indigent Defender 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 Indigent Defender Fund is improving or

deteriorating. The *statement of activities* presents information showing how the net position changed during the most recent period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Other Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The Indigent Defender Fund adopts an annual budget for the general fund. A budgetary comparison statement is provided to demonstrate budgetary compliance.

### Other Supplementary Information

A statement of activities by district is included for additional analysis purposes only and is not required for fair presentation in accordance with generally accepted accounting principles. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3).

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the Statement of Net Position is below:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>% Change</u>
<b>Assets</b>			
Cash	\$ 75,523	\$ 11,744	543%
Total Assets	<u>75,523</u>	<u>11,744</u>	<u>543%</u>
<b>Liabilities</b>			
Payroll liabilities	246	728	-66%
Total Liabilities	<u>246</u>	<u>728</u>	<u>-66%</u>
<b>Net Position</b>			
Unrestricted	75,277	11,016	583%
Total Net Position	<u>\$ 75,277</u>	<u>\$ 11,016</u>	<u>583%</u>

Net position may serve over time as a useful indicator of the Thirty-ninth Judicial District Indigent Defender Fund's financial position. The Indigent Defender Fund's total net position changed from a year ago, increasing from \$11,016 to \$75,277. All of the Indigent Defender Fund's net position as of June 30, 2018, is unrestricted and may be used to meet the ongoing obligations to the citizens of Red River Parish.

The Indigent Defender Fund continues to maintain a high level of liquidity with \$75,523 (100.33%) of the Indigent Defender Fund's unrestricted net position invested in demand deposits as of June 30, 2018.

An analysis of the government-wide Statement of Activities is presented as follows:

	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>% Change</u>
<b>Revenues</b>			
Judiciary Program Revenue			
Charges for services	\$ 38,655	\$ 46,706	-17%
Operating grants & contributions	171,677	78,519	119%
General Revenue			
Interest Revenue	<u>232</u>	<u>67</u>	<u>246%</u>
Total Revenue	<u>210,564</u>	<u>125,292</u>	<u>68%</u>
<b>Program Expenses</b>			
Judiciary	<u>146,303</u>	<u>126,025</u>	<u>16%</u>
Increase (Decrease) in Net Position	64,261	(733)	
Net Position, Beginning	<u>11,016</u>	<u>11,749</u>	<u>-6%</u>
Net Position, Ending	<u>\$ 75,277</u>	<u>\$ 11,016</u>	<u>583%</u>

As the accompanying presentation demonstrates, the Indigent Defender Fund has increased its reserves by \$64,261 at June 30, 2018. Approximately 18% (\$38,655) of the Indigent Defender Fund's total revenues were derived through charges for services (court, bond and other related fees) compared to 37% (\$46,706) for the year ended June 30, 2017.

The Indigent Defender Fund received \$171,677 (82%) and \$78,519 (63%) of its total revenues from Louisiana state appropriations during the years ended June 30, 2018 and June 30, 2017, respectively.

#### **FINANCIAL ANALYSIS OF THE FUND'S FUND**

For the year ended June 30, 2018, there are no differences between the government-wide presentation and the fund financial statements.

#### **BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Indigent Defender Fund complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The actual revenues were \$14,368 above the budgeted amounts and actual expenditures were \$9,097 less than the budgeted amounts.

#### **CAPITAL ASSET ADMINISTRATION**

The Indigent Defender Fund does not maintain any capital assets.

#### **DEBT ADMINISTRATION**

For the year ended June 30, 2018, there was no debt activity and no debts are outstanding at year-end.

## **ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

For the fiscal year ending June 30, 2018, the following factors were considered when the budget was prepared:

- General and program revenues will remain consistent with the prior year.
- Other expenditures are expected to remain steady with the prior year.

## **REQUEST FOR INFORMATION**

This report is designed to provide a general overview of the Thirty-ninth Judicial District Indigent Defender Fund, Red River Parish, Louisiana, and seeks to demonstrate the Indigent Defender Fund's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Brian McRae, Thirty-ninth Judicial District Indigent Defender Fund, P. O. Box 612, Mansfield, Louisiana, 71052.

## BASIC FINANCIAL STATEMENTS

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET POSITION**  
 June 30, 2018

	<u>Governmental Fund</u>		<u>Government-Wide</u>
	<u>Statements</u>		<u>Statements</u>
<b>ASSETS</b>	<b><u>General Fund</u></b>	<b>Adjustments</b>	<b><u>Statement of</u></b>
	<b><u>Balance Sheet</u></b>		<b><u>Net Position</u></b>
Current Assets			
Cash and cash equivalents	\$ 75,523	\$ -	\$ 75,523
Total Assets	<u>\$ 75,523</u>	<u>-</u>	<u>75,523</u>
<b>LIABILITIES</b>			
Current Liabilities			
Payroll tax liabilities	\$ 246	-	246
Total Liabilities	<u>246</u>	<u>-</u>	<u>246</u>
<b>FUND BALANCE/ NET POSITION</b>			
Fund Balance			
Unassigned	<u>75,277</u>	<u>(75,277)</u>	<u>-</u>
Total Fund Balance	<u>75,277</u>		
Total Liabilities and Fund Balance	<u>\$ 75,523</u>		
Net Position			
Unrestricted		<u>\$ 75,277</u>	<u>75,277</u>
Total Net Position			<u>\$ 75,277</u>

See accountant's report and accompanying notes.

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/  
STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2018

	Governmental Fund Statement		Government-Wide Statements
	<u>Statement of Revenues, Expenditures, and Changes in Fund Balance General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/PROGRAM EXPENSES</b>			
Judiciary:			
Personnel Services & Benefits	\$ 33,984		\$ 33,984
Operating Costs	112,319		112,319
Total Expenditures/Judiciary Program Expenses	<u>146,303</u>	<u>-</u>	<u>146,303</u>
<b>PROGRAM REVENUES</b>			
Operating grants and contributions			
State government appropriations-general	171,677		171,677
Charges for services			
Local Government fines, fees, & court costs	38,655		38,655
Total Program Revenues	<u>210,332</u>	<u>-</u>	<u>210,332</u>
<b>GENERAL REVENUES</b>			
Investment earnings	232		232
Total General Revenues	<u>232</u>	<u>-</u>	<u>232</u>
Total Program and General Revenues	<u>210,564</u>	<u>-</u>	<u>210,564</u>
<b>Excess of Revenues over Expenditures Change in Fund Balance/ Net Position</b>	64,261		64,261
<b>Fund Balance/ Net Position:</b>			
Beginning of year	11,016		11,016
End of year	<u>\$ 75,277</u>	<u>\$ -</u>	<u>\$ 75,277</u>

See accountant's report and accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2018

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#### INTRODUCTION

The Thirty-ninth Judicial District Indigent Defender Fund (Indigent Defender Fund) was established in compliance with Louisiana Revised Statutes 15:168 on August 15, 2007. The purpose of the Indigent Defender Fund is to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The Indigent Defender Fund is regulated by the Louisiana Public Defender Board established by Louisiana Revised Statute 15:141-184 to provide effective legal representation to criminal defendants who are unable to afford an attorney, consistent with the right to counsel in our criminal courts, mindful of the need for law and order and an appreciation of victim's rights. The Indigent Defender Fund is administered by the district public defender who is contracted with the Louisiana Public Defender Board to provide for the delivery and management of public defenders services within the judicial district. The judicial district encompasses the Parish of Red River, Louisiana.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Thirty-ninth Judicial District Indigent Defender Fund have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

The more significant accounting policies established in GAAP and used by the Thirty-ninth Judicial District Indigent Defender Fund are discussed below.

##### A. REPORTING ENTITY

For financial reporting purposes, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 14, the Thirty-ninth Judicial District Indigent Defender Fund is a part of the operations of the district court system. However, the state statutes that create the indigent defender funds also gives the funds control over their operations including hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of monies. The Thirty-ninth Judicial District Indigent Defender Fund is financially independent and operated autonomously from the State of Louisiana and independently from the district court system. Therefore, the Indigent Defender Fund reports as an independent reporting entity and the financial statements include only the transactions of the Thirty-ninth Judicial District Indigent Defender Fund.

##### B. MEASUREMENT FOCUS / 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 the measurement focus applied.

##### Accrual Basis—Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2018

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### B. MEASUREMENT FOCUS / BASIS OF ACCOUNTING (continued)

###### Modified Accrual Basis--Fund Financial Statements

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the ID Fund's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 Thirty-ninth Judicial District Indigent Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

###### Revenues

Fines, forfeitures, fees and court costs imposed by the district and city courts are recorded in the year that they are collected by the sheriff within the judicial district.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when received by the Indigent Defender Fund.

Based on the above criteria, fines, forfeitures, fees and court costs are treated as susceptible to accrual.

###### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

##### C. CASH AND CASH EQUIVALENTS

Cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits and other investments with original maturities of 90 days or less when purchased. Under state law, the Indigent Defender Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and any other state of the United States, or under the laws of the United States.

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2018

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### D. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The Thirty-ninth Judicial District Indigent Defender Fund has no capital assets.

##### E. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### F. EQUITY CLASSIFICATIONS

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

###### Net investment in capital assets

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 capital assets. At year end the Indigent Defender Fund did not have any net investment in capital assets.

###### Restricted Net Position

Restricted Net Position consists of net position with constraints placed on the use by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

###### Unrestricted Net Position

Unrestricted Net Position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

The Indigent Defender presents fund balances in accordance with GASB Statement No. 54, using the following criteria:

###### Nonspendable

Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

###### Restricted

Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions.

###### Committed

Amounts that can be used only for specific purposes determined by a formal action by the Chief Defender.

###### Assigned

Amounts that are designated by the Chief Defender for a specific purpose but are not spendable until the budget is approved by the State.

###### Unassigned

All amounts not included in other spendable classifications.

The Indigent Defender Fund has only unassigned fund balance.

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2018

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#### **2. CASH AND CASH EQUIVALENTS**

At June 30, 2018, the Thirty-ninth Judicial District Indigent Defender Fund has cash and cash equivalents (book balances) totaling \$75,523 in demand deposits.

These deposits, \$78,823 (bank balances), 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. These deposits are secured by federal deposit insurance.

#### **3. COMMITMENT AND CONTINGENCIES**

The Thirty-ninth Judicial District Indigent Defender Fund is not currently named as defendant in any current or pending litigation.

The Indigent Defender Fund participates in certain state-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

#### **4. RELATED PARTY TRANSACTIONS**

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. There were no related party transactions.

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

**Red River Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2018

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**5. GOVERNMENTAL FUND REVENUES AND EXPENDITURES**

Revenues:	
State Government	
Appropriations - General	\$ 171,677
Appropriations - Special	-
Revenue Sharing	-
Grants	-
On-behalf Payments	-
Other	-
Total	<u>\$ 171,677</u>
Local Government	
Appropriations - General	\$ -
Appropriations - Special	-
Grants	-
Statutory Fines, Forfeitures, Fees	
Court Costs, & Other	36,915
Criminal Court Fund	-
On-behalf Payments	-
Other	-
Total	<u>\$ 36,915</u>
Federal Government	
Grants - Direct	\$ -
Grants - Indirect (passed through state)	-
Total	<u>\$ -</u>
Other Grants & Contributions	
Non-profit Organizations	\$ -
Private Organizations	-
Corporate	-
Other	-
Total	<u>\$ -</u>
Charges for Services	1,740
Investment Earnings	232
Miscellaneous	-
Total Revenues	<u><u>\$ 210,564</u></u>

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2018

#### 5. GOVERNMENTAL FUND REVENUES AND EXPENDITURES (continued)

Expenditures:		
Personnel Services & Benefits -	\$	-
Salaries		30,900
On-behalf Payments - Salaries		-
Retirement Contributions		-
On-behalf Payments - Retirement		-
Insurance		-
On-behalf Payments - Insurance		-
Payroll Taxes		3,084
Other		-
Total		<u>33,984</u>
Professional Development -		
Dues, Licenses, & Registrations	\$	-
Travel		-
Other		-
Total		<u>-</u>
Operating Costs -		
Library & Research	\$	-
Contract Services - Attorney/Legal		103,850
Contract Services - Other		4,742
Lease - Office		-
Lease - Autos & Other		-
Travel - Transportation		-
Travel - Other		-
Insurance		2,286
Supplies		-
Repairs & Maintenance		-
Utilities & Telephone		1,441
Other		-
Total		<u>112,319</u>
Debt Service		-
Capital Outlay		-
Total Expenditures	\$	<u><u>146,303</u></u>

#### 6. SUBSEQUENT EVENTS

Management has performed an evaluation of the Indigent Defender Fund's activities through September 24, 2018, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
State Government				
Appropriations - general	\$ 164,116	\$ 164,116	\$ 171,677	\$ 7,561
Local Government				
Court fees	25,000	25,000	31,595	6,595
Bond fees and forfeitures	6,000	6,000	5,320	(680)
Application fees	1,000	1,000	1,740	740
Other revenue	-	-	-	-
Investment earnings	80	80	232	152
	<u>196,196</u>	<u>196,196</u>	<u>210,564</u>	<u>14,368</u>
<b>Total General Revenues</b>				
<b>EXPENDITURES</b>				
Operating Costs				
Contract services - attorney / legal	113,000	113,000	103,850	9,150
Salaries	24,000	24,000	30,900	(6,900)
Payroll taxes	8,000	8,000	3,084	4,916
Investigators and expert witnesses	5,000	5,000	2,542	2,458
Professional fees	1,000	1,000	2,200	(1,200)
Insurance	1,900	1,900	2,286	(386)
IT/ Tech support	2,500	2,500	1,441	1,059
Travel and mileage	-	-	-	-
Utilities and telephone	-	-	-	-
Office supplies	-	-	-	-
Other expenses	-	-	-	-
Total Operating Costs	<u>155,400</u>	<u>155,400</u>	<u>146,303</u>	<u>9,097</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>40,796</u>	<u>40,796</u>	<u>64,261</u>	<u>23,465</u>
<b>Net Change in Fund Balances</b>	40,796	40,796	64,261	23,465
Fund Balance, Beginning of year	11,016	11,016	11,016	-
Fund Balance, End of year	<u>\$ 51,812</u>	<u>\$ 51,812</u>	<u>\$ 75,277</u>	<u>\$ 23,465</u>

See accountant's report and accompanying notes.

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
As of and for the Year ended June 30, 2018

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**Budgetary Information**

The District Public Defender directs the preparation of a proposed budget and submits it to the Louisiana Public Defender Board for approval by a specified date. Annually, the Indigent Defender Fund adopts a budget for the General Fund on the cash basis of accounting. Amounts are available for expenditures only to the extent included within the budget.

The Louisiana Local Government Budget Act Section 1305(E) provides that “the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.” The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

The Louisiana Local Government Budget Act also requires a budget to be amended if actual revenues are failing to meet total budgeted revenues by five percent or more and if actual expenditures are exceeding the total budgeted expenditures by five percent or more.

The Indigent Defender Fund is in compliance with the Louisiana Local Budget Act.

## OTHER SUPPLEMENTAL INFORMATION

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

For the Year Ended June 30, 2018

Brian McRae, Chief Defender	
Purpose:	
Salary - contracted	\$ 39,600
Benefits- insurance	-
Benefits- retirement	-
Benefits- other	-
Car Allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Meeting travel and meals	-
Continuing professional education fees	-
Professional dues	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 39,600</u>

See accountant's report.

OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL  
AUDIT GUIDE



## Dees Gardner, Certified Public Accountants, LLC

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122 Jefferson Street

Mansfield, Louisiana

Fax No. 318-872-1357

### **Independent Accountant's Report on Applying Agreed-Upon Procedures**

Brian McRae, Chief Defender  
Thirty-ninth Judicial District Indigent Defender Fund  
Red River Parish, Louisiana

We have performed the procedures enumerated below, which were agreed to by Thirty-ninth Judicial District Indigent Defender Fund (Indigent Defender Fund) and the Louisiana Legislative Auditor (the specified parties), on the Indigent Defender Fund's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Indigent Defender Fund's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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:

#### **Public Bid Law**

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000, and no expenditure was made for public works exceeding \$154,450

#### **Code of Ethics for Public Officials and Public Employees**

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed-upon Procedure 3 appeared on the list provided by management for agreed-upon Procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

### **Budgeting**

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. Management represented that there were no amendments to the budget during the year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced adoption of the original budget to documentation submitted to the State Indigent Defender Fund. Management represented that there were no amendments to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year did not exceed budgeted amounts by more than 5%.

### **Accounting and Reporting**

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six selected disbursements were coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

The Indigent Defender Fund's policies and procedures state that the chief defender of the Indigent Defender Fund must approve all disbursements. Documentation supporting each of the six selected disbursements were approved in accordance with management's policies and procedures.

### **Meetings**

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The Indigent Defender Fund is administered by a single Chief Indigent Defender.

### **Debt**

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### **Advances and Bonuses**

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the Indigent Defender Fund's board of commissioners for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

### **State Audit Law**

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Indigent Defender Fund's report was submitted timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Indigent Defender Fund was not on the noncompliance list at any other time during the fiscal year. Management further represented that the Indigent Defender Fund did not enter into any contracts during the fiscal year that was subject to the public bid law.

### **Prior-Year Comments**

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated December 18, 2017, included a budget violation. The issue has been resolved.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Indigent Defender Fund's compliance with the foregoing matters. 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.

The purpose of this report is solely to describe the scope of testing performed on the Indigent Defender Fund's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
September 24, 2018

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

September 18, 2018

Dees Gardner, Certified Public Accountants, LLC  
122 Jefferson Street  
Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of September 18, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.  
Yes  No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No [ ]

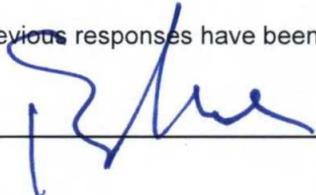
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No [ ]

The previous responses have been made to the best of our belief and knowledge.

 \_\_\_\_\_ Chief Defender 9/18/18 Date