

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

Financial Statements
For the year ended June 30, 2019

THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Red River Parish, Louisiana Financial Statements June 30, 2019

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Independent Accountant's Compilation Report

Brian McRae, Chief Public Defender
Thirty-ninth Judicial District Indigent Defender Fund
Coushatta, Louisiana

Management is responsible for 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, 2019, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Required Supplementary Information

The budgetary comparison schedule on page 16 as required by the Governmental Accounting Standards Board and the schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 19 required by Louisiana Revised Statute 24:513(A)(3) are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by their respective authoritative agencies who consider them to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. The supplementary information was subject to our compilation engagement; however we have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, not provide any assurance on such information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
December 9, 2019

Basic Financial Statements

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

GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET POSITION

June 30, 2019

	Governmental Fund Statements	Adjustments	Government-Wide Statements
ASSETS	General Fund Balance Sheet	Adjustments	Statement of Net Position
Cash and cash equivalents	\$ 14,904	\$ -	\$ 14,904
Capital Assets (net)	-	5,132	5,132
Total Assets	\$ 14,904	5,132	20,036
LIABILITIES			
Current Liabilities			
Payroll tax liabilities	\$ 246	-	246
Total Liabilities	246	-	246
FUND BALANCE/ NET POSITION			
Fund Balance			
Unassigned	14,658	(14,658)	-
Total Fund Balance	14,658	(14,658)	-
Total Liabilities and Fund Balance	\$ 14,904		
Net Position:			
Net investment in capital assets		5,132	5,132
Unrestricted		14,658	14,658
Total Net Position		\$ 19,790	\$ 19,790

See accountant's report and accompanying notes.

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

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO
THE GOVERNMENT- WIDE STATEMENT OF NET POSITION
 June 30, 2019

Total Fund Balance, Governmental Fund	\$	14,658
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Amounts reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in fund financial statements, but are reported in the governmental activities of the Statement of Net Position

Cost of capital assets	5,132		
Less accumulated depreciation	-		5,132

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>19,790</u>
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The accompanying notes are an integral part of this statement.

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, 2019

	Governmental Fund Statement <u>Statement of Revenues, Expenditures, and Changes in Fund Balance General Fund</u>	<u>Adjustments</u>	Government-Wide Statements <u>Statement of Activities</u>
EXPENDITURES/PROGRAM EXPENSES			
Judiciary:			
Personnel Services & Benefits	\$ 34,879		\$ 34,879
Operating Costs	113,174		113,174
Capital Outlay Expenditures	5,132	(5,132)	-
Total Expenditures/Judiciary Program Expenses	<u>153,185</u>	<u>(5,132)</u>	<u>148,053</u>
PROGRAM REVENUES			
Operating grants and contributions			
State government appropriations-general	57,297		57,297
Charges for services			
Local Government fines, fees, & court costs	34,993		34,993
Total Program Revenues	<u>92,290</u>	<u>-</u>	<u>92,290</u>
GENERAL REVENUES			
Other revenues	130		130
Investment earnings	146		146
Total General Revenues	<u>276</u>	<u>-</u>	<u>276</u>
Total Program and General Revenues	<u>92,566</u>	<u>-</u>	<u>92,566</u>
Excess of Revenues over Expenditures			
Change in Fund Balance/ Net Position	(60,619)	(5,132)	(55,487)
Fund Balance/ Net Position:			
Beginning of year	75,277		75,277
End of year	<u>\$ 14,658</u>	<u>\$ -</u>	<u>\$ 19,790</u>

See accountant's report and accompanying notes.

THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Red River Parish, Louisiana
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Governmental Fund	\$ (60,619)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund:	
Depreciation expense (\$0) more than capital outlays (\$5,132)	<u>5,132</u>
Change in Net Position of Governmental Activities	<u><u>\$ (55,487)</u></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, 2019

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, 2019

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 C 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 C 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.

D. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2019

2. CASH AND CASH EQUIVALENTS

At June 30, 2019, the Thirty-ninth Judicial District Indigent Defender Fund has cash and cash equivalents (book balances) totaling \$14,904 in demand deposits.

These deposits, \$26,668 (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. CAPITAL ASSETS

The Thirty-ninth Judicial District Indigent Defender Fund acquired one capital asset at the end of the fiscal period at a total cost \$5,132. No depreciation expense was calculated due to the purchase of the asset at year end.

4. 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.

5. 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, 2019

5. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

Revenues:	
State Government	
Appropriations - General	\$ 57,297
Appropriations - Special	-
Revenue Sharing	-
Grants	-
On-behalf Payments	-
Other	-
Total	<u> </u> \$ 57,297
Local Government	
Appropriations - General	\$ -
Appropriations - Special	-
Grants	-
Statutory Fines, Forfeitures, Fees	
Court Costs, & Other	34,113
Criminal Court Fund	-
On-behalf Payments	-
Other	-
Total	<u> </u> \$ 34,113
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	880
Investment Earnings	146
Miscellaneous	130
Total Revenues	<u> </u> \$ <u>92,566</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, 2019

5. GOVERNMENTAL FUND REVENUES AND EXPENDITURES (continued)

Expenditures:		
Personnel Services & Benefits -	\$	-
Salaries		32,400
On-behalf Payments - Salaries		-
Retirement Contributions		-
On-behalf Payments - Retirement		-
Insurance		-
On-behalf Payments - Insurance		-
Payroll Taxes		2,479
Other		-
Total		<u>34,879</u>
	\$	
Professional Development -		
Dues, Licenses, & Registrations	\$	-
Travel		-
Other		-
Total		<u>-</u>
	\$	
Operating Costs -		
Library & Research	\$	-
Contract Services - Attorney/Legal		102,600
Contract Services - Other		6,067
Lease - Office		-
Lease - Autos & Other		-
Travel - Transportation		-
Travel - Other		-
Insurance		2,753
Supplies		182
Repairs & Maintenance		-
Utilities & Telephone		1,572
Other		-
Total		<u>113,174</u>
	\$	
Debt Service		-
Capital Outlay		<u>5,132</u>
Total Expenditures	\$	<u><u>153,185</u></u>

6. SUBSEQUENT EVENTS

Management has performed an evaluation of the Indigent Defender Fund's activities through December 9, 2019, 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

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
State Government				
Appropriations - general	\$ 85,353	\$ 85,353	\$ 57,297	\$ (28,056)
Local Government				
Court fees	30,000	30,000	24,425	(5,575)
Bond fees and forfeitures	5,000	5,000	9,688	4,688
Application fees	1,000	1,000	880	(120)
Other revenue	-	-	130	130
Investment earnings	240	240	146	(94)
	<u>121,593</u>	<u>121,593</u>	<u>92,566</u>	<u>(29,027)</u>
Total General Revenues				
EXPENDITURES				
Operating Costs				
Contract services - attorney / legal	107,600	107,600	102,600	5,000
Salaries	32,400	32,400	32,400	-
Payroll taxes	2,479	2,479	2,479	-
Investigators and expert witnesses	1,500	1,500	2,767	(1,267)
Professional fees	2,000	2,000	3,300	(1,300)
Insurance	1,950	1,950	2,753	(803)
IT/ Tech support	1,572	1,572	1,572	-
Office supplies	-	-	182	(182)
Capital Outlay Expenditures	-	-	5,132	(5,132)
Total Operating Costs	<u>149,501</u>	<u>149,501</u>	<u>153,185</u>	<u>(3,684)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(27,908)</u>	<u>(27,908)</u>	<u>(60,619)</u>	<u>(32,711)</u>
Net Change in Fund Balances	(27,908)	(27,908)	(60,619)	(32,711)
Fund Balance, Beginning of year	75,277	75,277	75,277	-
Fund Balance, End of year	<u>\$ 47,369</u>	<u>\$ 47,369</u>	<u>\$ 14,658</u>	<u>\$ (32,711)</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, 2019

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 not in compliance with the Louisiana Local Budget Act. Actual revenues failed to meet total budgeted revenues by 31% and the budget was not amended.

Other (Required) 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, 2019

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.

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

Schedule of Findings and Responses
For year ended June 30, 2019

Current Year Findings

Budget Violation. Actual revenues were less than the budgeted amount by 31%.

Management's Response: We will be more cognizant of the budget differences within the year.

Prior Year Findings (Reviewed)

None.