

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2016
With Supplemental Information Schedules

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

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With Independent Auditor's Report
As of and for the Year Ended June 30, 2016
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FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
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Independent Auditor's Report

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Fourth Judicial District Indigent Defender Fund, a component unit of the Ouachita Parish Police Jury, as of June 30, 2016, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fourth Judicial District Indigent Defender Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fourth Judicial District Indigent Defender Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fourth Judicial District Indigent Defender Fund's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

Independent Auditor's Report,

June 30, 2016

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Fourth Judicial District Indigent Defender Fund as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, and the budgetary comparison information on pages 27 through 28, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fourth Judicial District Indigent Defender Fund's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The supplemental information schedules listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits, and other payments to agency head on page 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

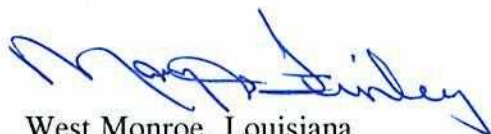
Parishes of Morehouse and Ouachita, Louisiana

Independent Auditor's Report,

June 30, 2016

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated November 17, 2016, on my consideration of the Fourth Judicial District Indigent Defender Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fourth Judicial District Indigent Defender Fund's internal control over financial reporting and compliance.



West Monroe, Louisiana

November 17, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Management's Discussion and Analysis
June 30, 2016

As management of the Fourth Judicial District Indigent Defender Fund, we offer readers of the Fourth Judicial District Indigent Defender Fund's financial statements this narrative overview and analysis of the financial activities of the Fourth Judicial District Indigent Defender Fund for the year ended June 30, 2016. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Fund's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Fund's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Fourth Judicial District Indigent Defender Fund's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Fourth Judicial District 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 Fourth Judicial District Indigent Defender Fund is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. 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 Fourth Judicial District Indigent Defender Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fourth Judicial District Indigent Defender Fund uses only governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fourth Judicial District Indigent Defender Fund adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fourth Judicial District Indigent Defender Fund's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fourth Judicial District Indigent Defender Fund exceeded liabilities by \$589,246. Approximately 21% of the Fourth Judicial District Indigent Defender Fund's net position reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Fourth Judicial District Indigent Defender Fund to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets being included in the statement of net position.

STATEMENT OF NET POSITION

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$345,612	\$137,303
Receivables	124,682	110,530
Capital assets (net of accumulated depreciation)	<u>121,669</u>	<u>126,623</u>
TOTAL ASSETS	<u><u>\$591,963</u></u>	<u><u>\$374,456</u></u>
LIABILITIES		
Accounts payable	<u>\$2,717</u>	<u>\$1,781</u>
TOTAL LIABILITIES	<u><u>2,717</u></u>	<u><u>1,781</u></u>
NET POSITION		
Invested in capital assets, net of related debt	121,669	126,623
Unrestricted	<u>467,577</u>	<u>246,052</u>
TOTAL NET POSITION	<u><u>\$589,246</u></u>	<u><u>\$372,675</u></u>

STATEMENT OF ACTIVITIES

	<u>2016</u>	<u>2015</u>
Judicial:		
Personal services	\$602,410	\$602,183
Operating services	1,554,742	1,690,737
Materials and supplies	19,532	20,582
Travel	12,458	19,407
Depreciation expense	<u>6,454</u>	<u>7,388</u>
Total Program Expenses	<u><u>2,195,596</u></u>	<u><u>2,340,297</u></u>
Program revenues - fees, charges and commissions	<u>71,103</u>	<u>64,843</u>
Net Program Expenses	<u><u>(2,124,493)</u></u>	<u><u>(2,275,454)</u></u>
General revenues		
Court costs on fines and forfeitures	1,477,944	1,356,813
Intergovernmental revenues	863,120	750,066
Miscellaneous revenues	<u>250</u>	<u>250</u>
Total general revenues	<u><u>2,341,064</u></u>	<u><u>2,107,129</u></u>
Change in Net Position	216,571	(168,325)
Net Position - Beginning of year as restated	<u>372,675</u>	<u>541,000</u>
Net Position - End of year	<u><u>\$589,246</u></u>	<u><u>\$372,675</u></u>

Financial Analysis of the Government's Funds

As noted earlier, the Fourth Judicial District Indigent Defender Fund uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the General Fund unassigned fund balance of \$467,577 showed an increase of \$221,525 over June 30, 2015.

General Fund Budgetary Highlights

The major difference between the original budget and the final amended budget for revenues were due to an increase in anticipated state funds and a decrease in statutory fines, forfeitures, fees, court costs and other. The differences in expenditures of the original budget and final budget were due to an increase in personal services, travel, contract services - other, and supplies and decreases in contract services - attorneys.

Capital Asset and Debt Administration

Capital assets. The Fourth Judicial District Indigent Defender Fund's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$121,669 (net of accumulated depreciation). This investment includes building, furniture and equipment. There was an increase of \$1,500 and no decrease for the year ended June 30, 2016.

Long-term debt. At the end of the fiscal year, Fourth Judicial District Indigent Defender Fund had no outstanding long term debt.

Requests for Information

This financial report is designed to provide a general overview of the Fourth Judicial District Indigent Defender Fund's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fourth Judicial District Indigent Defender Fund, 714 St. John Street, LA 71210-3327.

November 17, 2016

BASIC FINANCIAL STATEMENTS

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, LouisianaSTATEMENT OF NET POSITION
June 30, 2016

ASSETS	
Cash and cash equivalents	\$345,612
Receivables	124,682
Capital assets (net of accumulated depreciation)	<u>121,669</u>
TOTAL ASSETS	<u><u>\$591,963</u></u>
LIABILITIES	
Accounts payable	<u>\$2,717</u>
TOTAL LIABILITIES	<u>2,717</u>
NET POSITION	
Invested in capital assets, net of related debt	121,669
Unrestricted	<u>467,577</u>
TOTAL NET POSITION	<u><u>\$589,246</u></u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2016

Judicial:

Personal services and benefits:	
Salaries	\$556,083
Payroll taxes	46,327
Professional Development:	
Dues, licenses, and registrations	75
Travel	9,295
Operating costs:	
Library and research	7,129
Contract services - attorney	1,479,580
Contract services - other	33,993
Travel	3,163
Insurance	9,993
Supplies	19,532
Repairs and maintenance	10,175
Utilities and telephone	8,752
Training	3,147
Other	1,898
Depreciation expense	6,454
Total Program Expenses	<u>2,195,596</u>
Program revenues - fees, charges and commissions	<u>71,103</u>
Net Program Expenses	<u>(2,124,493)</u>
General revenues	
Court costs on fines and forfeitures	1,477,944
Intergovernmental revenues - State Government-	
Appropriations - regular	<u>863,120</u>
Total general revenues	2,341,064
Change in Net Position	216,571
Net Position - Beginning of year	<u>372,675</u>
Net Position - End of year	<u><u>\$589,246</u></u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2016

ASSETS

Cash and cash equivalents	\$345,612
Receivables	<u>124,682</u>
TOTAL ASSETS	<u>\$470,294</u>

LIABILITIES AND FUND EQUITY

Liabilities - Accounts payable	\$2,717
Fund Equity - fund balances - unassigned	<u>467,577</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$470,294</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2016

Total Fund Balances - Governmental Funds (Statement C)		<u>\$467,577</u>
Cost of capital assets	\$305,662	
Less: Accumulated depreciation	<u>(183,993)</u>	<u>121,669</u>
Net Position (Statement A)		<u><u>\$589,246</u></u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
 Parishes of Morehouse and Ouachita, Louisiana
 GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2016

REVENUES

State Government	
Appropriations - general	\$863,120
Local Government	
Statutory fines, forfeitures, fees, court costs, and other	<u>1,549,047</u>
Total revenues	<u>2,412,167</u>

EXPENDITURES

Personnel Services and Benefits	
Salaries	556,083
Payroll taxes	<u>46,327</u>
Total	602,410
Professional Development	
Dues, licenses, and registrations	75
Travel	<u>9,295</u>
Total	9,370
Operating Costs	
Library and research	7,129
Contract services - attorney	1,479,580
Contract services - other	33,993
Travel - transportation	3,163
Insurance	9,993
Supplies	19,532
Repairs and maintenance	10,175
Utilities and telephone	8,752
Training	3,147
Other	<u>1,898</u>
Total	1,577,362
Capital outlay	<u>1,500</u>
Total expenditures	<u>2,190,642</u>

EXCESS OF REVENUES OVER EXPENDITURES 221,525

FUND BALANCES AT BEGINNING OF YEAR 246,052

FUND BALANCES AT END OF YEAR \$467,577

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2016

Total net change in fund balances - governmental funds (Statement D)	\$221,525
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	<u>(4,954)</u>
Change in net position of governmental activities (Statement B)	<u>\$216,571</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fourth Judicial District Indigent Defender Fund was established in compliance with Louisiana Revised Statutes 15:144-149 to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parishes of Morehouse and Ouachita, Louisiana.

The accompanying financial statements of the Fourth Judicial District Indigent Defender Fund have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. 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.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The district public defender is appointed by the Louisiana Public Defender Board. However, the police jury is ultimately responsible for the fiscal operations of the Fourth Judicial District court system, which includes the Indigent Defender Fund. Further, because of this relationship, the police jury's general purpose financial statements would be misleading without inclusion of the Fund's financial statements. Therefore, the indigent defender Fund is considered a component unit of the parish reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The Fund's basic financial statements include both government-wide (reporting the Fund as a whole) and fund financial statements (reporting the Fund's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the Fund are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the Fund.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net Position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position.

The government-wide financial statements are 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*.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Fund's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the Fund's general revenues.

Allocation of Indirect Expenses - The Fund reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the indigent defender fund are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the indigent defender fund . The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The Fund's current operations require the use of only governmental funds. The governmental fund type used by the Fund is described as follows:

Governmental Fund Type

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the indigent defender fund and is used to account for the operations of the indigent defender fund 's office. The various fees and charges due to the indigent defender fund's office are accounted for in this fund. General operating expenditures are paid from this fund.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

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

1. Accrual:

Governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 balances 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds 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 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 general long-term debt which is recognized when due, and certain compensated absences 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:

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Court costs on fines and forfeitures imposed by the district and city courts are recorded in the year they are collected by the parish tax collector or the city.

Criminal bail bond fees are recorded in the year the bonds are written.

Fees from indigents are recorded when collected by the Division of Probation and Parole.

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

Based on the above criteria, court costs on fines and forfeitures, criminal bail bond fees, and fees from indigents have been treated as susceptible to accrual.

Expenditures

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

E. CASH AND CASH EQUIVALENTS

Under state law, the indigent defender fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2016, the indigent defender fund has cash and cash equivalents (book balances) totaling \$345,612.

These deposits 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 bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2016, total \$477,612 and are fully secured by federal deposit insurance and pledged securities.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements (Continued)

F. CAPITAL ASSETS

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 Fund maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Fund, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

The indigent defender fund employs three part-time employees and has not adopted a formal vacation and sick leave policy. The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

H. RISK MANAGEMENT

The indigent defender fund is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. To handle such risk of loss, the indigent defender fund maintains commercial insurance policies covering her automobile, and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2016.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana

Notes to the Financial Statements (Continued)

2. RECEIVABLES

The General Fund receivables of \$124,682 at June 30, 2016, are as follows:

<u>Class of receivables:</u>	
Court costs on fines and forfeitures	\$122,902
Bond forfeitures	<u>1,780</u>
Total	<u>\$124,682</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2015	\$304,162
Additions	1,500
Deletions	<u>NONE</u>
Balance, June 30, 2016	305,662
Less accumulated depreciation	<u>(183,993)</u>
Net Capital Assets	<u>\$121,669</u>

4. PENSION PLAN

The employees of the indigent defender fund are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the indigent defender fund contributes an amount equal to the employee's contributions to the Social Security System. The indigent defender fund does not guarantee the benefits granted by the Social Security System.

5. LITIGATION AND CLAIMS

The contracts between the indigent defender fund and the attorneys contain provisions requiring the attorneys to maintain professional liability insurance and agreeing to hold the indigent defender fund harmless from any malpractice judgments. Accordingly, no provision for any liability arising from lawsuits has been made in the accompanying financial statements.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

Parishes of Morehouse and Ouachita, Louisiana
Notes to the Financial Statements (Continued)

6. CONTRACT ATTORNEYS

At June 30, 2016, as provided by Louisiana Statutes 15:145(b)(3), the indigent defender fund had thirty three contract attorneys to provide legal representation to indigents in the Fourth Judicial District. The contracts are for terms of three years and provide for a managing attorney, thirty attorneys for Ouachita Parish (including nine juvenile attorneys), and three attorneys for Morehouse Parish. The managing attorney receives \$10,250 per month in compensation while the remaining attorneys receive monthly compensation ranging from \$2,000 to \$6,000, depending on their years of service under contract. The managing attorney reports to the indigent defender fund on the progress and disposition of cases received.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State Government -				
Appropriations - regular	\$767,701	\$863,120	\$863,120	
Statutory fines, forfeitures, fees, court costs, and other	1,554,219	1,443,800	1,549,047	\$105,247
Total revenues	<u>2,321,920</u>	<u>2,306,920</u>	<u>2,412,167</u>	<u>105,247</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and benefits:				
Salaries	552,822	565,175	556,083	9,092
Payroll taxes	47,825	47,825	46,327	1,498
Professional Development:				
Dues, licenses, and registrations	150	150	75	75
Travel	8,300	10,300	9,295	1,005
Operating Costs:				
Library and research	8,400	8,400	7,129	1,271
Contract services - attorney	1,634,615	1,580,942	1,479,580	101,362
Contract services - other	29,200	34,200	33,993	207
Travel	3,500	2,900	3,163	(263)
Insurance	1,500	10,000	9,993	7
Supplies	14,300	18,600	19,532	(932)
Repairs and maintenance	8,058	8,058	10,175	(2,117)
Utilities and telephone	7,750	7,750	8,752	(1,002)
Training	5,000	5,000	3,147	1,853
Other	500	500	1,898	(1,398)
Capital outlay			1,500	(1,500)
Total expenditures	<u>2,321,920</u>	<u>2,299,800</u>	<u>2,190,642</u>	<u>109,158</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	7,120	221,525	214,405
FUND BALANCE AT BEGINNING OF YEAR	NONE	246,052	246,052	NONE
FUND BALANCE AT END OF YEAR	NONE	<u>\$253,172</u>	<u>\$467,577</u>	<u>\$214,405</u>

See accompanying note to budgetary comparison schedule.

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2016

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Fourth Judicial District Indigent Defender Fund's office during the month of June for comments from taxpayers. The budget is then legally adopted by the indigent defender fund and amended during the year, as necessary. The budget is established and controlled by the indigent defender fund at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OTHER SUPPLEMENTAL INFORMATION

PART III

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
 Parishes of Morehouse and Ouachita, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
 For the Year Ended June 30, 2016

MICHAEL COURTEAU, DISTRICT DEFENDER

PURPOSE	AMOUNT
Salary	\$123,000
Benefits - social security	7,626
Benefits - medicare	1,784
Travel - mileage	1,489
Meals	123
Housing and lodging	306
Insurance	2,660
Total	<u>\$136,988</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

**FOURTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND**
Parishes of Morehouse and Ouachita, Louisiana

I have audited the basic financial statements of the Fourth Judicial District Indigent Defender Fund, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2016 and have issued my report thereon dated November 17, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Fourth Judicial District Indigent Defender Fund's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fourth Judicial District Indigent Defender Fund's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Fourth Judicial District Indigent Defender Fund's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

FOURTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2016

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fourth Judicial District Indigent Defender Fund's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Fourth Judicial District Indigent Defender Fund, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
November 17, 2016

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Fourth Judicial District Indigent Defender Fund.
2. No instances of noncompliance material to the financial statements of the Fourth Judicial District Indigent Defender Fund was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FOURTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND
Parishes of Morehouse and Ouachita, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2016

There were no findings reported in the audit report for the year ended June 30, 2015.