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**TWENTY-SECOND JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

Annual Financial Statements

June 30, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 17 2014

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## **Independent Auditor's Report**

Mr. John W. Linder, II, District Public Defender  
Twenty-Second Judicial District  
Public Defender Office  
Covington, Louisiana

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office (the Public Defender Office), as of and for the year ended June 30, 2014, and the related notes to the financial statements; which collectively comprise the Public Defender Office'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**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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 entity'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 entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office as of June 30, 2014, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Management has omitted the management's discussion and analysis information 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 be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2014, on our consideration of the Twenty-Second Judicial District Public Defender Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Twenty-Second Judicial District Public Defender's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
October 7, 2014

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE**  
**Covington, Louisiana**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash - Unassigned	\$ 431,335
Accounts Receivable	126,620
Probation Fees Receivable - Net of Allowance of \$1,248,751	45,125
Capital Assets, Net of Accumulated Depreciation	<u>11,581</u>
<b>Total Assets</b>	<u>614,661</u>
<b>Liabilities</b>	
Accounts Payable	23,427
Accrued Payroll Liabilities	2,526
Unearned Revenue - Felony Probation Fees	45,125
Compensated Absences	<u>38,651</u>
<b>Total Liabilities</b>	<u>109,729</u>
<b>Net Position</b>	
Net Investment in Capital Assets	11,581
Unrestricted	<u>493,351</u>
<b>Total Net Position</b>	<u>\$ 504,932</u>

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE**  
**Covington, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Public Defender	\$ 2,960,618	\$ 1,151,729	\$ 1,598,807	\$ (210,082)
<b>General Revenues</b>				
Shared Revenues				171,447
Interest and Earnings on Investments				814
Other Income				6,390
<b>Total General Revenues</b>				<b>178,651</b>
<b>Change in Net Position</b>				<b>(31,431)</b>
<b>Net Position, Beginning of Year</b>				<b>536,363</b>
<b>Net Position, End of Year</b>				<b>\$ 504,932</b>

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

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**



**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE**  
**Covington, Louisiana**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash - Unassigned	\$ 431,335	\$ -	\$ 431,335
Accounts Receivable	126,620	-	126,620
Probation Fees Receivable - Net of Allowance of \$1,248,751	45,125	-	45,125
<b>Total Assets</b>	<b>\$ 603,080</b>	<b>\$ -</b>	<b>\$ 603,080</b>
<b>Liabilities</b>			
Accounts Payable	\$ 23,427	\$ -	\$ 23,427
Accrued Payroll Liabilities	2,526	-	2,526
Unearned Revenue - Felony Probation Fees	45,125	-	45,125
<b>Total Liabilities</b>	<b>71,078</b>	<b>-</b>	<b>71,078</b>
<b>Fund Balance</b>			
Unassigned	532,002	-	532,002
<b>Total Fund Balance</b>	<b>532,002</b>	<b>-</b>	<b>532,002</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 603,080</b>	<b>\$ -</b>	<b>\$ 603,080</b>

**Reconciliation of the Governmental Fund Balance Sheet to the  
Statement of Net Position**

Total Fund Balance	\$ 532,002
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,581
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(38,651)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 504,932</u></b>

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE**  
**Covington, Louisiana**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	General Fund	Special Revenue Fund	Total
<b>Revenues</b>			
Court Costs, Fees, and Charges	\$ 1,094,007	\$ -	\$ 1,094,007
Shared Revenues	171,447	-	171,447
Intake Fees	57,722	-	57,722
Grants and Awards			
Judicial District Court	125,000	-	125,000
State of Louisiana	-	1,473,807	1,473,807
Interest Income	814	-	814
Miscellaneous Income	6,390	-	6,390
<b>Total Revenues</b>	<b>1,455,380</b>	<b>1,473,807</b>	<b>2,929,187</b>
<b>Expenditures</b>			
Salaries, Wages, and Fringes	764,011	1,381,953	2,145,964
Contract Attorney Fees and Costs	488,897	91,854	580,751
Office Supplies and Expenses	36,876	-	36,876
Telephone and Utilities	34,794	-	34,794
Insurance	30,416	-	30,416
Law Library	29,007	-	29,007
Travel	20,586	-	20,586
Rent	15,542	-	15,542
Accounting and Audit	9,650	-	9,650
Other Operating Expenses	7,948	-	7,948
Continuing Education	7,240	-	7,240
Capital Outlays	2,267	-	2,267
<b>Total Expenditures</b>	<b>1,447,234</b>	<b>1,473,807</b>	<b>2,921,041</b>
<b>Net Change in Fund Balance</b>	<b>8,146</b>	<b>-</b>	<b>8,146</b>
<b>Fund Balance, Beginning of Year</b>	<b>523,856</b>	<b>-</b>	<b>523,856</b>
<b>Fund Balance, End of Year</b>	<b>\$ 532,002</b>	<b>\$ -</b>	<b>\$ 532,002</b>

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE**  
**Covington, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2014**

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Net Change in Fund Balance - Total Governmental Funds	\$ 8,146
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(293)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position	(633)
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Change in compensated absences payable	<u>(38,651)</u>
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<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (31,431)</u></b>
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The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

The Twenty-Second Judicial District Public Defender Office (the Public Defender Office) operates under Act 307 implemented August 15, 2007. The Public Defender Office provides counsel to represent indigent (needy) individuals in criminal cases at the District level. The Public Defender Office encompasses the parishes of Washington and St. Tammany, which are located in the State of Louisiana.

The Public Defender Office is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. A State of Louisiana Public Defender Board governs the Louisiana Public Defender Office.

Revenues to finance the Public Defender Office's operations are provided primarily from court costs or fines imposed by the various courts within the district and from state revenues received through either annual distributions or targeted program funding from the Louisiana Public Defender Office.

**Basis of Presentation**

The accompanying basic financial statements of the Twenty-Second Judicial District Public Defender Office have been presented in conformity with governmental accounting standards generally accepted 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 No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

**Government-Wide Financial Statements (GWFS)**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Public Defender Office. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

***Fund Financial Statements (FFS)***

The Public Defender Office uses funds to maintain its financial records during the year. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of the Public Defender Office are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Public Defender Office or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Public Defender Office uses two funds to report the Public Defender Office's financial position and the results of operations. The General Fund reports all transactions of the Public Defender Office other than those funds to be used for a purpose specified by law or agreement. A Special Revenue Fund (grant fund) reports all transactions for grant money.

**Reporting Entity**

For financial statement reporting purposes, the Public Defender Office is a part of the district court system of the State of Louisiana. However, the state statutes that created the Public Defender Office also gave it control over all of its operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Public Defender Office is financially independent and operates independently from the district court system. The financial statements include only the transactions of the Public Defender Office.

**Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

The amounts reflected in the governmental fund financial statements 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 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 is then reconciled, through adjustment, to the government-wide financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting (Continued)**

The amounts reflected in the governmental fund financial statements 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 Public Defender Office 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. The General Fund uses the following practices in recording revenues and expenditures:

Revenues - Court costs or fines and forfeitures imposed by the district and city courts are recorded in the year they are collected by the contributing agencies. Fees from indigents are recorded when received. Interest income is accrued when earned. All other revenues and grants are recorded when earned.

Expenditures - Expenses, other than payroll, are generally recognized when incurred. Payroll liabilities are recognized when the related liability is incurred. Operating and non-operating liabilities are recorded when significant or material.

**Budget Policies**

The Public Defender Office is required by law to adopt an annual budget. The Public Defender Office adopted and prepared a budget for the General Fund and the Special Revenue Fund on the modified accrual basis of accounting for the year ended June 30, 2014.

This budget is presented with these financial statements in the supplementary section of the report on pages 18 and 19.

This budget was integrated into the accounting records and employed as a management control device. Budget and actual financial performance are presented to the Louisiana Public Defender Board on an annual and monthly basis for corresponding balance sheet and income/expense performances. The Public Defender Office does not use encumbrance accounting and appropriations lapse at the end of each year.

**Cash and Cash Equivalents and Investments**

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the Public Defender Office may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Probation Fees Receivable**

Receivables for probation fees are fees imposed by the courts as a condition of probation and are reported net of uncollectible amounts. Traditionally, collection of these fees is highly questionable. Accordingly, the amounts considered to be collectible are recorded as unearned revenue.

**Grants**

The Public Defender Office's major grants are reported as special revenue in a Special Revenue Fund. These two grants are from the Louisiana's Public Defender Office's District Assistance Fund and CINC Representation Fund.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Compensated Absences**

The Public Defender Office's employees earn varying amounts of vacation and sick leave each year. Employees cannot accrue sick leave or vacation leave past December 31st of each year. Unused accrued vacation is paid at December 31<sup>st</sup>, up to 50% of an employee's earned vacation for the year. Any remaining balance is forfeited.

At termination, employees may be paid for unused vacation; however, sick leave is forfeited. At December 31, 2013, the Public Defender Office had accrued compensated absences payable of \$38,651, which has been reported on the statement of net position.

**Capital Assets**

All fixed assets of the Public Defender Office are recorded at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against its operations.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The Public Defender Office capitalizes equipment and furniture in excess of \$500. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures, and Equipment	7 - 10 Years	Straight-Line
Computers	5 - 10 Years	Straight-Line

Depreciation expense amounted to \$2,954, for the year ended June 30, 2014.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Equity Classifications**

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - all other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - consists of amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - consists of all other amounts not included in spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Public Defender Office's policy is to apply restricted net position first.

**Note 2. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents balances (book balances) at June 30, 2014:

Demand Deposits	<u>\$ 431,335</u>
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These deposits are stated at cost, which approximates market



**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 2. Cash and Cash Equivalents (Continued)**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Public Defender Office's deposits may not be recovered. The Public Defender Office does not have a deposit policy for custodial credit risk. As of June 30, 2014, \$221,873 of the Public Defender Office's total bank balance of \$471,073 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

Under state law, 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 securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**Note 3. Capital Assets**

The Public Defender Office's capital asset activity for the year ended June 30, 2014, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Furniture, Fixtures, and Equipment	\$ 60,072	\$ 2,661	\$ (3,309)	\$ 59,424
Less: Accumulated Depreciation	(47,565)	(2,954)	2,676	(47,843)
<b>Net Capital Assets</b>	<b>\$ 12,507</b>	<b>\$ (293)</b>	<b>\$ (633)</b>	<b>\$ 11,581</b>

**Note 4. Concentrations**

The majority of revenue earned by the Public Defender Office comes from the Parish of St. Tammany and the City of Slidell, Louisiana in the form of court costs.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 5. Operating Leases**

On January 1, 1999, the Public Defender Office entered into a lease in Washington Parish for office space. The lease is non-cancelable with an initial option to lease the building until December 2005, with monthly payments of \$900. There were two renewal periods, each with a five-year term. Rent expense for this space totaled \$10,800, for the year ended June 30, 2014.

Additionally, in March 2010, the Public Defender Office leased a copy machine for the Covington office for 60 months at \$191 per month and, in September 2012, leased a copy machine for the Franklinton office for 60 months at \$184 per month. Total payments made under these leases during the year ended June 30, 2014, were \$4,742.

Future minimum payments under these leases are as follows:

<u>June 30,</u>	<u>Amount</u>
2015	\$ 9,322
2016	2,205
2017	2,205
2018	<u>551</u>
<b>Total</b>	<b><u>\$ 14,283</u></b>

**Note 6. Risk Management**

The Public Defender Office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defender Office has obtained general liability insurance as well as professional liability insurance for its staff.

**Note 7. Excess Expenditures Over Appropriations**

During the year ended June 30, 2014, the Special Revenue Fund's actual expenditures of \$1,473,807 exceeded the budgeted expenditures of \$1,426,858, resulting in an unfavorable variance of \$46,949.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana**

**Notes to Financial Statements**

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**Note 8. Government Fund Revenues and Expenditures**

For the year ended June 30, 2014, the major sources of governmental fund revenues and expenditures were as follows:

**Governmental Fund Revenues**

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<b>State Government</b>	
Grants	\$ 1,473,807
<b>Local Government</b>	
Grants	125,000
On-Behalf Payments	<u>1,265,454</u>
Total	2,864,261
<b>Charges for Services</b>	57,722
<b>Investment Income</b>	814
<b>Miscellaneous Income</b>	<u>6,390</u>
<b>Total Revenues</b>	<u><u>\$ 2,929,187</u></u>

**Governmental Fund Expenditures**

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<b>Personnel Services and Benefits</b>	
Salaries	\$ 1,776,659
Insurance	226,013
Payroll Taxes	<u>143,292</u>
Total	<u>2,145,964</u>
<b>Professional Development</b>	
Dues, Licenses and Registrations	7,240
Travel	<u>20,586</u>
Total	<u>27,826</u>
<b>Charges for Services</b>	
Contract Services - Attorney	536,733
Contract Services - Other	44,018
Utilities and Telephone	34,794
Insurance	30,416
Library and Research	29,007
Supplies	25,791
Other	17,598
Lease - Office	15,542
Repairs and Maintenance	<u>11,085</u>
Total	<u>744,984</u>
<b>Capital Outlay</b>	<u>2,267</u>
<b>Total Expenditures</b>	<u><u>\$ 2,921,041</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
For the Year Ended June 30, 2014**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Court Costs, Fees, and Charges	\$ 1,074,680	\$ 1,077,250	\$ 1,094,007	\$ 16,757
Shared Revenues	192,000	170,428	171,447	1,019
Intake Fees	55,000	57,500	57,722	222
Grants and Awards				
Judicial District Court	126,320	125,000	125,000	-
Interest Income	1,400	750	814	64
Miscellaneous Income	2,200	6,500	6,390	(110)
<b>Total Revenues</b>	<b>1,451,600</b>	<b>1,437,428</b>	<b>1,455,380</b>	<b>17,952</b>
<b>Expenditures</b>				
Salaries, Wages, and Fringes	1,209,504	817,242	764,011	53,231
Contract Attorney Fees and Costs	402,270	458,340	488,897	(30,557)
Office Supplies and Expenses	17,550	33,300	36,876	(3,576)
Telephone and Utilities	35,000	34,190	34,794	(604)
Insurance	32,912	30,405	30,416	(11)
Law Library	26,500	27,500	29,007	(1,507)
Travel	22,060	21,156	20,586	570
Rent	15,180	15,365	15,542	(177)
Accounting and Audit	10,000	10,000	9,650	350
Other Operating Expenses	6,900	6,650	7,948	(1,298)
Continuing Education	3,000	5,340	7,240	(1,900)
Capital Outlays	5,000	4,300	2,267	2,033
<b>Total Expenditures</b>	<b>1,785,876</b>	<b>1,463,788</b>	<b>1,447,234</b>	<b>16,554</b>
<b>Net Change in Fund Balance</b>	<b>\$ (334,276)</b>	<b>\$ (26,360)</b>	<b>8,146</b>	<b>\$ 34,506</b>
<b>Fund Balance, Beginning of Year</b>			<b>523,856</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 532,002</b>	

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE**  
**Covington, Louisiana**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Special Revenue Fund**  
**For the Year Ended June 30, 2014**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants and Awards				
State of Louisiana	\$ 1,021,914	\$ 1,426,858	\$ 1,473,807	\$ 46,949
<b>Total Revenues</b>	<b>1,021,914</b>	<b>1,426,858</b>	<b>1,473,807</b>	<b>46,949</b>
<b>Expenditures</b>				
Salaries, Wages, and Fringes	914,584	1,335,004	1,381,953	(46,949)
Contract Attorney Fees and Costs	107,330	91,854	91,854	-
<b>Total Expenditures</b>	<b>1,021,914</b>	<b>1,426,858</b>	<b>1,473,807</b>	<b>(46,949)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance, Beginning of Year</b>			<b>-</b>	
<b>Fund Balance, End of Year</b>			<b>\$ -</b>	

See independent auditor's report.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

Mr. John W. Linder, II, District Public Defender  
Twenty-Second Judicial District  
Public Defender Office  
Covington, Louisiana

We have audited, 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, the financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office (the Public Defender Office), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Twenty-Second Judicial District Public Defender Office's basic financial statements, and have issued our report thereon dated October 7, 2014.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Twenty-Second Judicial District Public Defender Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is reported in the schedule of findings and responses as item 2014-001.

#### **Twenty-Second Judicial District Public Defender Office's Response to Finding**

The Twenty-Second Judicial District Public Defender Office's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Public Defender Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Public Defender Office's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Public Defender Office's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
October 7, 2014



**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
Covington, Louisiana  
Schedule of Findings and Responses  
For the Year Ended June 30, 2014**

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**2014-001 Misappropriation of Public Funds**

*Criteria:* Louisiana Constitution Article VII, Section 14 prohibits personal use of public funds.

*Condition:* In September, 2013, the management of the Public Defender Office, while investigating an unexpected decrease in probation revenue, discovered that an employee in the Covington office had misappropriated an estimated \$8,150 of condition of probation money orders paid to the Public Defender Office.

*Cause:* Illegal act by an employee.

*Effect:* Noncompliance with Louisiana Constitution Article VII, Section 14.

*Recommendation:* Management should review its internal control over condition of probation monies and take steps to strengthen controls.

*Management's Response:* Management has terminated the employee and has notified the local law enforcement agency.