

THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

**THE DISTRICT PUBLIC DEFENDER
 TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
 BASIC FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2016**

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**WILLIAM P. GAINES, JR., CPA
A PROFESSIONAL ACCOUNTING CORPORATION
4257 Church Street, Suite 105
Zachary, Louisiana 70791**

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Rhonda Covington
The District Public Defender
Twentieth Judicial District of Louisiana
P. O. Box 68
Clinton, Louisiana 70722

I have reviewed the accompanying financial statements of the governmental activities of the District Public Defender, Twentieth Judicial District of Louisiana as of and for the year ended June 30, 2016, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Public Defender's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

Required Supplementary Information

Accounting principles generally accepted in the United States of America required that management's discussion and analysis and the budgetary comparison schedule on pages 4 and 27, respectively, 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 operation, economic or historical context. The information is the representation of management. I have not audited or reviewed such required supplementary information, and accordingly, I do not express an opinion, a conclusion nor provide any other form of assurance on it.

Other Matters – Supplementary Information

The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated December 22, 2016 on the results of our agreed-upon procedures.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
December 22, 2016

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

The purpose of this section is to offer management's discussion and analysis of the District Public Defender, Twentieth Judicial District of Louisiana's (hereafter referred to as the Public Defender) financial performance during the year ended June 30, 2016. It should be read in conjunction with the financial report taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components – (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. There is also other supplemental information contained in this report.

Government-wide Financial Statements. The government-wide financial statements present financial information for all activities of the Public Defender from an economic resources measurement focus using the accrual basis of accounting. These provide both short-term and long-term information about the Public Defender's overall financial status. They include a statement of net position and statement of activities.

Statement of Net Position. This statement presents information on all of the Public Defender's assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 Public Defender is improving or not.

Statement of Activities. This statement presents information showing how the Public Defender'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 the timing of related cash flows. This statement is designed to show the Public Defender's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Public Defender that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Public Defender include activities related to public defense of indigent offenders. The government-wide financial statements can be found on pages 9-10 of this report.

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 Public Defender uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Public Defender has only one category of funds: governmental funds.

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the governmental funds only. These statements report short-term fiscal accountability emphasizing the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints. The fund financial statements can be found on pages 12-15 of this report.

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. The index of the notes is found on page 17 with the actual notes beginning immediately afterwards.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Public Defender's budgetary comparisons and payments to the agency head.

FINANCIAL ANALYSIS OF THE PUBLIC DEFENDER

Net position is an indicator of the Public Defender's financial position from year to year. The following is a summary of net position:

**SUMMARY OF NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u>
Assets		
Current and other assets	\$ 92,131.54	\$ 40,812.75
Investments	40,000.00	40,000.00
Capital assets, net	5,804.69	<u>7,214.43</u>
Total Assets	137,936.23	88,027.18
Liabilities		
Current liabilities	<u>3,057.89</u>	<u>3,084.26</u>

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

Net Position		
Net investment in capital assets	5,804.69	7,214.43
Unrestricted	<u>129,073.65</u>	<u>77,728.49</u>
Total Net Position	<u>134,878.34</u>	<u>84,942.92</u>

Net position increased by \$49,935 during the year ended June 30, 2016. A summary of these changes is as follows:

**SUMMARY OF CHANGES IN NET POSITION
Governmental Activities**

	<u>2016</u>	<u>2015</u>
Revenues		
Grants and contributions	\$.00	\$.00
General revenues:		
Fines and forfeitures	282,068.89	268,935.68
Interest earned	<u>139.07</u>	<u>155.67</u>
Total Revenues	282,207.96	269,091.35
Expenses	<u>232,272.54</u>	<u>256,923.64</u>
Change in Net Assets	<u>49,935.42</u>	<u>12,167.71</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Public Defender has \$5,805 invested in general fixed assets at June 30, 2016. There were no capital assets purchased in the current year.

Long-Term Obligations: The Public Defender has no long-term debt.

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

BUDGETARY HIGHLIGHTS

The Public Defender received \$32,226 more than it anticipated, and expenditures were \$11,376 less than budgeted amounts. Overall, this resulted in an unfavorable increase in fund balances of \$43,602 over that which was anticipated. The budget was amended during the year to account for increased expenditures needed to operate the office.

A budget to actual comparison can be found on page 27.

REQUEST FOR INFORMATION

A copy of this report or additional information can be obtained by writing or contacting the Office of the Public Defender, P. O. Box 68, Clinton, Louisiana 70722 or P. O. Box 575, St. Francisville, LA 70775, (225) 683-3620.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 89,013.48
Receivables, net	3,118.06
Investments	40,000.00
Capital assets, net of accumulated depreciation	<u>5,804.69</u>
Total Assets	137,936.23

DEFERRED OUTFLOWS OF RESOURCES

-

LIABILITIES

Payroll and related payables	3,057.89
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DEFERRED INFLOWS OF RESOURCES

-

NET POSITION

Net investment in capital assets	5,804.69
Unrestricted	<u>129,073.65</u>
Total Net Position	<u><u>134,878.34</u></u>

See Independent Accountants' Review Report

**THE DISTRICT PUBLIC DEFENDER
 TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	Program Revenues				Net Revenues (Expenses)
<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants & Contributions</u>	<u>Operating Grants & Contributions</u>	<u>Governmental Activities</u>	
Governmental Activities					
General government	\$ 9,974.81	\$ -	\$ -	\$ -	\$ (9,974.81)
Public defense	222,297.73	-	-	-	(222,297.73)
Total Governmental Activities	232,272.54	-	-	-	(232,272.54)
	General Revenues				
					282,068.89
					139.07
			Total General Revenues		282,207.96
			Change in Net Position		49,935.42
			Net Position, beginning		84,942.92
			Net Position, ending		134,878.34

See Independent Accountants' Review Report

FUND FINANCIAL STATEMENTS

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
BALANCE SHEET
JUNE 30, 2016**

ASSETS

Cash and cash equivalents	\$ 89,013.48
Receivables, net	3,118.06
Investments	<u>40,000.00</u>
TOTAL ASSETS	<u><u>132,131.54</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	
Payroll and related payables	3,057.89
Fund Balances	
Unrestricted	<u>129,073.65</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>132,131.54</u></u>

See Independent Accountants' Review Report

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total Fund Balances - Total Governmental Funds \$ 129,073.65

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

Capital assets used in governmental activities are not
current financial resources and, therefore, are not
reported in the Governmental Funds Balance Sheet

5,804.69

Total Net Position - Governmental Activities

134,878.34

See Independent Accountants' Review Report

**THE DISTRICT PUBLIC DEFENDER
 TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016**

	<u>Total Governmental Funds</u>
REVENUES	
Fines and forfeitures	\$ 282,068.89
Interest earned	<u>139.07</u>
Total Revenues	<u>282,207.96</u>
 EXPENDITURES	
General government	9,974.81
Public defense	<u>220,887.99</u>
Total Expenditures	<u>230,862.80</u>
Excess of Revenues over Expenditures/Change in Fund Balances	<u>51,345.16</u>
Fund Balances, beginning	<u>77,728.49</u>
Fund Balances, ending	<u><u>129,073.65</u></u>

See Independent Accountants' Review Report

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 51,345.16

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 as
depreciation expense. This is the amount by which
depreciation differed from capital outlay charged in the
current period.

(1,409.74)

Change in Net Position - Governmental Activities

49,935.42

See Independent Accountants' Review Report

NOTES TO FINANCIAL STATEMENTS

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
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JUNE 30, 2016**

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**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

INTRODUCTION

The Twentieth Judicial District Public Defender Board was established for the Twentieth Judicial District by Louisiana Revised Statute 15:144 – 15:148. On August 15, 2007, the Board was abolished and authority transferred to the District Public Defender by Act No. 307 known as the Public Defender Act.

The main purpose of the Public Defender is to provide legal counsel for public defendants that could not otherwise afford representation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting practice of the Public Defender conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Governmental Accounting Standards Public Defender (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defender includes all funds which are controlled by or dependent on the Public Defender which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. While the Public Defender is a part of the district court system, state statute gives each district Public Defender control over its own operations. It operates autonomously from the State of Louisiana and independently from the district court system and, therefore, issues its own financial statements.

Government-Wide Accounting: In accordance with Government Accounting Standards Statement No. 34, the Public Defender has presented a statement of net assets and statement of activities for the Public Defender as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Public Defender. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Public Defender has chosen not to do so.

Restricted Net Position

Restricted net position is that for which a constraint has been imposed either externally or by law. The Public Defender recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Fund Accounting: The Public Defender uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. The Public Defender has only one category: governmental. Each category, in turn, is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all of the Public Defender's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – is the general operating fund of the Public Defender and accounts for all financial resources, except those required to be accounted for in other funds.

Basis of Accounting/Measurement Focus: The type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the statement of net position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the statement of activities. In these statements, capital assets are reported and depreciated in each fund.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The Public Defender considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: The Public Defender is not required under Louisiana Revised Statutes to have public meetings on the adoption of its budget. The Public Defender prepares an annual budget for review by the Louisiana Public Defender Board. It is reviewed periodically during the year.

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety (90) days or less. Under state law, the Public Defender 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.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Capital Assets: The Public Defender's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets of 5 years for equipment and 7-10 years for office furniture. The Public Defender's capitalization policy includes adding all assets with a value of \$1,000 or more. However, assets that are less in value may be capitalized if their use will benefit more than one period such as recording equipment or computers.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

The Public Defender does not have any long-term debt.

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets, deferred outflows of resources, liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Position

Net position that is restricted by external sources, such as banks or by law, are reported separately as restricted net position. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net position.

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Unrestricted Net Position

This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

The Public Defender applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within restricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The Public Defender does not have a formal minimum fund balance policy.

Use of 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.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash at June 30, 2016, amounted to \$89,013.48 held in interest-bearing demand deposits. Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market

**THE DISTRICT PUBLIC DEFENDER
 TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. There is no custodial credit risk associated with these funds.

NOTE 3 – INVESTMENTS

During 2016 the District adopted GASB Statement 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government’s financial position. There was no effect to net position or fund balance as a result of implementing GASB Statement 72. Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity or are held either by the counter-party or the counter-party’s trust department or agent but not in the entity’s name. Investments of the Public Defender are certificates of deposit held by the counter-party in the Public Defender’s name. They are secured from risk by \$250,000 of federal deposit insurance and pledged collateral.

Investments of the Public Defender include long-term certificates of deposit in the amount of \$40,000 held at The Highlands Bank. The cost equals the fair value at June 30, 2016.

NOTE 4 – RECEIVABLES

The following is a summary of governmental funds receivables at June 30, 2016:

Sheriffs	<u>\$ 3,118.06</u>
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NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Capital Assets, being depreciated				
Furniture & equipment	\$ 12,632.52	\$.00	\$.00	\$ 12,632.52
Less: accumulated depreciation	5,418.09	1,409.74	.00	6,827.83
Net Furniture & Equipment	<u>7,214.43</u>	<u>(1,409.74)</u>	<u>.00</u>	<u>5,804.69</u>

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of governmental funds payables at June 30, 2016:

Payroll withholdings/taxes	\$ <u>3,057.89</u>
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NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

The Public Defender does not offer any post-employment benefits to its employees.

NOTE 8 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2016, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

Local Government

Statutory fines, forfeitures, fee, court costs and other	\$ 282,068.89
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Investment Earnings

Total Revenues	<u>139.07</u> \$ <u>282,207.96</u>
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Expenditures:

Personnel Services and Benefits

Salaries	\$ 114,616.50	
Payroll taxes	<u>9,176.66</u>	
Total		\$ 123,793.16

Professional Development

Dues, licenses and registrations	674.00	
Travel	<u>3,671.65</u>	
Total		4,345.65

Operating Costs

Library and research	3,558.77	
Contract services – attorney/legal	77,462.50	
Contract services – other	-0-	
Insurance	505.30	
Lease – office	10,423.00	

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

Utilities and telephone	4,688.50	
Other	<u>6,085.12</u>	
Total		102,723.99
Capital Outlay		<u>.00</u>
Total Expenditures		\$ <u>230,862.80</u>

NOTE 9 – RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year ended June 30, 2016, that require disclosure in the accompanying financial statements.

NOTE 10 – LITIGATION AND CLAIMS

The Public Defender is not involved in any litigation and is not aware of any claims outstanding that require disclosure in the accompanying financial statements.

NOTE 11 – SUBSEQUENT EVENTS

There have been no events subsequent to year-end through December 22, 2016, the date on which these financial statements were available to be issued, that would materially impact the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION
(PART 2 OF 2)

**THE DISTRICT PUBLIC DEFENDER
 TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 293,470.00	\$ 293,470.00	\$ 282,068.89	\$ (11,401.11)
Interest earned	55.00	55.00	139.07	84.07
Total Revenues	293,525.00	293,525.00	282,207.96	(11,317.04)
EXPENDITURES				
General government	15,650.00	15,650.00	9,974.81	5,675.19
Public defense	269,868.28	269,868.28	220,887.99	48,980.29
Capital outlay	8,000.00	8,000.00	-	8,000.00
Total Expenditures	293,518.28	293,518.28	230,862.80	62,655.48
Change in Fund Balances	6.72	6.72	51,345.16	51,338.44
Fund Balances, beginning	34,126.04	34,126.04	77,728.49	(43,602.45)
Fund Balances, ending	34,132.76	34,132.76	129,073.65	7,735.99

See Independent Accountant's Review Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**THE DISTRICT PUBLIC DEFENDER
TWENTIETH JUDICIAL DISTRICT OF LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
YEAR ENDED JUNE 30, 2016**

Agency Head

Rhonda Covington
Public Defender

Purpose

Salary

Amount

90,000.00

Memberships - Feliciana Bar Association

25.00

Louisiana State Bar

235.00

Travel:

Mileage

980.73

Total Compensation, Benefits and Other Payments

91,240.73

See Independent Accountant's Review Report

WILLIAM P. GAINES, JR., CPA
A PROFESSIONAL ACCOUNTING CORPORATION
4257 Church Street, Suite 105
Zachary, Louisiana 70791

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Rhonda Covington
The District Public Defender
Twentieth Judicial District of Louisiana
P. O. Box 68
Clinton, Louisiana 70722

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Twentieth Judicial District Public Defender Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended June 30, 2016, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Twentieth Judicial District Public Defender Board is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law) or LSA-RS 39:1551-39: 1775 (the state procurement code), whichever is applicable.

There were no expenditures in excess of \$20,000 for material and supplies or \$100,000 for public works made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure no. 3) appeared on the list provided by management in agreed-upon procedure no. 2.

Budgeting

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

The Board provided us with a copy of the original budget and amended budgets.

6. Trace the budget adoption and amendments to the minute book.

N/A

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceeded budgeted amounts by 5% or more. If applicable for agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures to determine if actual expenditures exceeded budgeted amounts by 10% or more per category or 5% of more in total.

There were no exceptions noted.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account;
and

All six of the payments were coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Public Defender.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is not required to and does not hold monthly meetings.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

We inspected payroll records for the year and noted no instances that would indicate payments to employees that would constitute bonuses, advances or gifts.

Prior Comments and Recommendations

The prior year report, dated December 18, 2015, did not include any comments or unresolved matters.

I was not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



William P. Gaines, Jr., CPA
A Professional Accounting Corporation
Zachary, LA
December 22, 2016

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

William P Gaines, CPA, APAC
4257 Church Street, Suite 105
Zachary, Louisiana 70791

In connection with your review of our financial statements as of June 30, 2016, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of this 22nd day of December, 2016.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

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

Yes No []

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

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No []

Accounting and Reporting

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

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No []

Debt

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

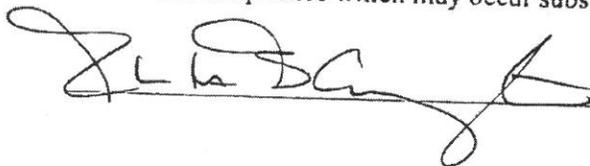
Yes No []

Advances and Bonuses

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

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations. We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 Public Defender