

**15TH JUDICIAL DISTRICT
PUBLIC DEFENDERS' OFFICE**

FINANCIAL REPORT

June 30, 2014

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

To the District Public Defender of
The 15th Judicial District
Public Defenders' Office
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund, of the 15th Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District'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.

Auditors' 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.

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 the major fund of the District, as of June 30, 2014, and the respective changes in financial position, thereof for the year then ended in accordance 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 budgetary comparison information on page 22 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. We 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 management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 December 17, 2014, on our consideration of the District's internal control over financial reporting and on our 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 our 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 District's internal control over financial reporting and compliance.

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
Certified Public Accountants

Lafayette, Louisiana
December 17, 2014

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Statement of Net Position
June 30, 2014

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 350,805
Due from other governments	190,321
Prepaid expenses	<u>15,689</u>
Total current assets	556,815
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>32,829</u>
Total assets	<u>589,644</u>
LIABILITIES	
Current liabilities:	
Accounts payable	21,238
Accrued liabilities	21,321
Capital lease payable	<u>2,546</u>
Total current liabilities	45,105
Noncurrent liabilities:	
Capital lease payable	<u>9,058</u>
Total liabilities	<u>54,163</u>
NET POSITION	
Net investment in capital assets	21,225
Unrestricted	<u>514,256</u>
Total net position	<u>\$ 535,481</u>

The accompanying notes are an integral part of the basic financial statements.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Statement of Activities
For the Year Ended June 30, 2014

Activities	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Change in Net Position
		Charges for Services and Fines	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 3,817,036	\$ 2,250,228	\$ 1,755,664	\$ 188,856
Interest	<u>852</u>	<u>-</u>	<u>-</u>	<u>(852)</u>
Total	<u>\$ 3,817,888</u>	<u>\$ 2,250,228</u>	<u>\$ 1,755,664</u>	188,004
				General revenues:
				Interest income
				<u>2,956</u>
				Change in net position
				190,960
				Net position, beginning
				<u>344,521</u>
				Net position, ending
				<u>\$ 535,481</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
 Parishes of Lafayette, Acadia, and Vermilion
 Governmental Fund

Balance Sheet
 June 30, 2014

	General Fund
Assets:	
Cash and interest-bearing deposits	\$ 350,805
Due from other governments -	
Court costs and bond forfeits receivable	190,321
Prepaid expenses	<u>15,689</u>
Total assets	<u>\$ 556,815</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 21,238
Payroll taxes payable	<u>21,321</u>
Total liabilities	<u>42,559</u>
Fund balance:	
Nonspendable - prepaid items	15,689
Unassigned	<u>498,567</u>
Total fund balance	<u>514,256</u>
Total liabilities and fund balance	<u>\$ 556,815</u>

The accompanying notes are an integral part of the basic financial statements.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2014

Total fund balance for governmental funds at June 30, 2014	\$ 514,256
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds. Those assets consist of:	
Equipment and furniture, net of \$86,678 accumulated depreciation	32,829
Long-term liabilities at June 30, 2014:	
Capital lease payable	<u>(11,604)</u>
Net position at June 30, 2014	<u>\$ 535,481</u>

The accompanying notes are an integral part of the basic financial statements.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
 Parishes of Lafayette, Acadia, and Vermilion
 Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-
 For the Year Ended June 30, 2014

	<u>General Fund</u>
Revenues:	
Charges for service -	
Partially indigent and application fees	\$ 287,881
Intergovernmental revenues -	
Court cost and bond forfeitures	1,962,347
District assistance fund - Louisiana IDAB	1,750,864
Local grant	4,800
Other	<u>2,956</u>
Total revenues	<u>4,008,848</u>
Expenditures:	
Current -	
Indigent defense:	
Operations	3,801,005
Capital outlay	7,857
Debt service -	
Principal	1,486
Interest	<u>852</u>
Total expenditures	<u>3,811,200</u>
Excess of revenues over expenditures	197,648
Other financing sources:	
Proceeds from capital lease	<u>7,857</u>
Net change in fund balance	205,505
Fund balance, beginning	<u>308,751</u>
Fund balance, ending	<u>\$ 514,256</u>

The accompanying notes are an integral part of the basic financial statements.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balance for the year ended June 30, 2014, per statement of revenues, expenditures and changes in fund balance		\$ 205,505
The change in net position reported for governmental activities in the statement of activities is 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.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$ 7,857	
Depreciation expense for the year ended June 30, 2014	<u>(16,031)</u>	(8,174)
Proceeds from capital leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position; however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.		
Capital lease proceeds	(7,857)	
Principal payments	<u>1,486</u>	<u>(6,371)</u>
Total changes in net position for the year ended June 30, 2014 per statement of activities		<u>\$ 190,960</u>

The accompanying notes are an integral part of the basic financial statements.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements

INTRODUCTION

The 15th Judicial District Public Defender Office (District) provides criminal defense to indigent persons in Louisiana's 15th Judicial District (Acadia, Lafayette and Vermilion Parishes). The function is accomplished by maintaining an administrative staff and contracting for legal and other defense experts.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The District is part of the operations of the Louisiana Public Defender Board. House Bill No. 436, Act No. 307 of the 2007 regular legislative session enacted the Louisiana Public Defender Act, effective August 15, 2007, creating the Louisiana Public Defender Board with oversight responsibilities of service regions and individual district public defender offices. The Louisiana Public Defender Board, which is established as a state agency, is to provide for the supervision, administration, and delivery of a statewide public defender system that is independent of local politics. Service regions are created to help provide supervision over district offices. The Louisiana Public Defender Board has the power to provide for the powers and duties of district public defenders and for the filling of vacancies.

The accompanying financial statements present information only on the Offices maintained by the 15th Judicial District Public Defenders' Office.

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles 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.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. 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 District or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The major fund and only fund of the District is described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the District and it accounts for the operations of the District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

C. Measurement Focus/Basis of Accounting

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

The amounts reflected in the 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 District 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 fund uses the following practices in recording revenues and expenditures:

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Revenues

Court costs, bond forfeitures, fees from indigents, and intergovernmental revenues are recorded when the District is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District's primary expenditures include salaries and contracted legal services, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the District prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year-end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

F. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, 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:

Assets Class	Estimated Useful Lives
Leasehold improvements	3 years
Furniture and fixtures	3 - 10 years

G. Compensated Absences

Employees of the District can earn from 80 to 120 hours of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees can earn 96 hours of personal leave per year and can carry over 24 hours of unused leave to the next year. Personal leave is not compensable if an employee leaves the service of the District. At June 30, 2014, the District has no leave benefits required to be reported in accordance with generally accepted accounting principles.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2014.

I. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the District may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

J. Estimates

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the District has interest-bearing deposits (book balances) totaling \$350,805.

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 similar federal security 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 District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2014, are secured as follows:

Bank balances	<u>\$ 394,377</u>
Federal deposit insurance	\$ 373,322
Pledged securities	<u>21,055</u>
Total	<u>\$ 394,377</u>

Deposits in the amount of \$21,055 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held with the pledging institution's trust department or its agent, but not in the District's name. The District does not have a policy for custodial credit risk.

(3) Due From Other Governments

At June 30, 2014, the amounts due from other governmental agencies consist of the following:

Bond forfeitures	\$ 29,786
Court fees	152,246
Partially indigent fees	<u>8,289</u>
	<u>\$ 190,321</u>

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2014</u>
Capital assets:				
Leasehold improvements	\$ 28,397	\$ -	\$ -	\$ 28,397
Furniture and fixtures	<u>111,650</u>	<u>7,857</u>	<u>-</u>	<u>119,507</u>
Totals	<u>140,047</u>	<u>7,857</u>	<u>-</u>	<u>147,904</u>
Less: accumulated depreciation				
Leasehold improvements	22,087	6,310	-	28,397
Furniture and fixtures	<u>76,957</u>	<u>9,721</u>	<u>-</u>	<u>86,678</u>
Total accumulated depreciation	<u>99,044</u>	<u>16,031</u>	<u>-</u>	<u>115,075</u>
Capital assets, net	<u>\$ 41,003</u>	<u>\$ (8,174)</u>	<u>\$ -</u>	<u>\$ 32,829</u>

Depreciation expense in the amount of \$16,031 was charged to general government.

(5) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liabilities transactions for the year ended June 30, 2014:

	<u>Balance</u> <u>7/1/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2014</u>	<u>Due Within</u> <u>One Year</u>
Capital lease payable	<u>\$ 5,233</u>	<u>\$ 7,857</u>	<u>\$(1,486)</u>	<u>\$ 11,604</u>	<u>\$ 2,546</u>

Capital leases -

\$5,592 capital lease payable to Copy & Camera Technologies, Inc., dated January 30, 2013, due in monthly installments of \$152 through February 1, 2017, interest at 13.710%, secured by equipment with a carrying value of \$4,460. \$ 4,159

\$7,857 capital lease payable to Great America Financial Services, dated March 19, 2014, due in monthly installments of \$167 through April 1, 2019, interest at 9.905%, secured by equipment with a carrying value of \$7,576. 7,445

Total capital leases payable \$11,604

Leased assets under a capital lease are included in capital assets, net in the Statement of Net Position at June 30, 2014. The leased assets consist of equipment with a cost of \$13,449 and accumulated depreciation of \$1,413 for a net book value of \$12,036. Depreciation of the leased assets in the amount of \$1,080 for the year ended June 30, 2014 is included in depreciation expense.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Scheduled maturities of noncurrent liabilities as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest
2015	2,546	1,096
2016	2,981	841
2017	2,737	417
2018	1,746	253
2019	1,594	73
	\$ 11,604	\$ 2,680

(6) Operating Leases

The District leases various office facilities and parking space commencing from May 2012 through February 2017. Lease expense for the year ended June 30, 2014 totaled \$146,863. Future minimum lease payments due under the lease terms are as follows:

2015	\$ 149,286
2016	165,486
2017	107,224
	\$ 421,996

(7) Risk Management

The District is exposed to risks of loss in the areas of general liability, malpractice, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(8) Governmental Office Revenues and Expenditures

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

Revenues:

State Government -	
Grants	\$ 1,750,864
Local Government -	
Statutory fines, forfeitures, fees, court costs, and other	1,962,347
Other Grants and Contributions -	
District court	4,800
Charges for Services	287,881
Investment Earnings	2,956
Total Revenues	\$ 4,008,848

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Expenditures:

Personnel Services and Benefits -	
Salaries	\$ 1,466,487
Retirement contributions	16,043
Insurance	150,475
Payroll taxes	111,057
Other	<u>2,144</u>
Total	<u>1,746,206</u>
Professional Development -	
Dues, licenses, and registrations	<u>19,787</u>
Operating Costs -	
Library and research	11,734
Contract services - attorney/legal	1,522,222
Contract services - other	196,223
Lease - office	146,863
Lease - autos and other	11,263
Travel - other	30,222
Insurance	30,528
Supplies	57,856
Repairs and maintenance	1,923
Utilities and telephone	21,738
Other	<u>4,440</u>
Total	<u>2,035,012</u>
Debt Service	<u>2,338</u>
Capital Outlay	<u>7,857</u>
Total Expenditures	<u>\$ 3,811,200</u>

(9) Deferred Compensation Plan

Certain employees of the District participate in the 15th Judicial District Public Defenders' Office Deferred Compensation Plan (Plan) adopted under the provisions of Internal Revenue Code Section 457, which is administered by the Nationwide Insurance Company. The District does not have managerial or financial responsibility for the plan assets. After two years of service, all employees are eligible to participate in the Plan and the District will match their contribution up to \$2,000 per year. At June 30, 2014, the District contributed \$16,043 to the Plan.

(10) Subsequent Event Review

The District has evaluated subsequent events through December 17, 2014, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	2014			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for service -				
Partially indigent and application fees	\$ 254,500	\$ 280,900	\$ 287,881	\$ 6,981
Intergovernmental revenues -				
Court cost and bond forfeitures	2,479,000	1,905,100	1,962,347	57,247
District assistance fund - Louisiana IDAB	1,318,816	1,715,495	1,750,864	35,369
Local grant	-	4,800	4,800	-
Other	2,000	2,000	2,956	956
Total revenues	<u>4,054,316</u>	<u>3,908,295</u>	<u>4,008,848</u>	<u>100,553</u>
Expenditures:				
Current -				
Indigent defense:				
Operations	4,006,600	3,892,100	3,801,005	91,095
Capital outlay -	6,000	6,000	7,857	(1,857)
Debt service				
Principal	-	1,500	1,486	14
Interest	-	850	852	(2)
Total expenditures	<u>4,012,600</u>	<u>3,900,450</u>	<u>3,811,200</u>	<u>89,250</u>
Excess of revenues over expenditures	41,716	7,845	197,648	189,803
Other financing sources:				
Proceeds from capital lease	-	-	7,857	7,857
Net change in fund balance	41,716	7,845	205,505	197,660
Fund balance, beginning	<u>308,751</u>	<u>308,751</u>	<u>308,751</u>	<u>-</u>
Fund balance, ending	<u>\$ 350,467</u>	<u>\$ 316,596</u>	<u>\$ 514,256</u>	<u>\$ 197,660</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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Retired
Conrad O Chapman, CPA* 2006

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 WITH *GOVERNMENT AUDITING STANDARDS*

* A Professional Accounting Corporation

To the District Public Defender of
The 15th Judicial District
Public Defenders' Office
Lafayette, Louisiana

We have audited, in accordance with the 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 the major fund of the 15th Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified a certain deficiency in internal control that we consider to be a material weakness.

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 a 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. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The District'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 entity'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 entity'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.

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
Certified Public Accountants

Lafayette, Louisiana
December 17, 2014

Compliance and Other Matters

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The District's response to the finding identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The District'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.

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC
Certified Public Accountants

Lafayette, Louisiana
December 17, 2014

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
For the Year Ended June 30, 2014

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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CURRENT YEAR (6/30/14) --

Internal Control:

2014-001	2006	Due to the small number of employees involved in the accounting operations, the District does not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of functions.	N/A	No response is considered necessary.	N/A	N/A
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Compliance:

There were no findings that were required to be reported.

PRIOR YEAR (6/30/13) --

Internal Control:

2013-001	2006	Due to the small number of employees involved in the accounting operations, the District does not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of functions.	N/A	No response is considered necessary.	N/A	N/A
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Compliance:

There were no findings that were required to be reported.