

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE**
St. John the Baptist Parish, Louisiana

Annual Financial Statements and
Independent Auditor's Report

As of and for the Year Ended
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the District Public Defender
Fortieth Judicial District Public Defenders Office
La Place, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Fortieth Judicial District Public Defenders Office (the "Public Defender") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my 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 Fortieth Judicial District Public Defenders Office, as of June 30, 2015, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 8 and 29 and a Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued a report dated September 10, 2015, on my consideration of the Fortieth Judicial District Public Defenders Office's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Fortieth Judicial District Public Defender's internal control over financial reporting and compliance.



Keith M. Rivere
Certified Public Accountant
September 10, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2015

The Management's Discussion and Analysis (MD&A) of the Fortieth Judicial District Public Defenders Office's financial performance presents a narrative overview and analysis of the Public Defender's financial activities for the year ended June 30, 2015. Please read this document in conjunction with the additional information contained in the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Public Defender's total net position increased by \$54,709 or 15 percent over the course of the year's operations.
- Revenues increased by \$34,831 or 4.5 percent to \$810,725 while expenses for the year increased by 9.2 percent or approximately \$63,427.
- The general fund reported a fund balance of \$410,278, an increase from June 30, 2014 of 15 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The minimum requirements for financial reporting on the Fortieth Judicial District Public Defenders Office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the district as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the district from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the district's overall financial status.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
 Management's Discussion and Analysis
 As of and for the year ended June 30, 2015

(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the district allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements are dependent on the fund type. The district's main governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
 As of June 30, 2015 and 2014

	<u>6/30/15</u>	<u>6/30/14</u>
Current and other assets	\$410,278	\$361,090
Capital assets	<u>3,332</u>	<u>2,099</u>
Total Assets	<u>413,610</u>	<u>363,189</u>
Deferred Outflows of Resources	<u>-0-</u>	<u>-0-</u>
Current liabilities	-0-	4,288
Long-term liabilities	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>-0-</u>	<u>4,288</u>
Deferred Inflows of Resources	<u>-0-</u>	<u>-0-</u>
Net Position:		
Invested in capital assets, net of debt	3,332	2,099
Unrestricted	410,278	356,802
Restricted	-0-	-0-
Total Net Position	<u><u>\$413,610</u></u>	<u><u>\$358,901</u></u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2015

The district's net position increased by \$54,709 or 15%, from the prior year primarily due to a increase in court cost revenue and state revenue during the last fiscal year.

The public defender's office does not have any "restricted" net position. The district does have "unrestricted" net position, and those are net position that do not have any limitations on what these amounts may be used for.

Statement of Activities
For the years ended June 30, 2015 and 2014

	<u>6/30/15</u>	<u>6/30/14</u>
Revenues		
Statutory fines, forfeitures, and court cost	\$727,224	\$645,307
Intergovernmental	43,104	89,713
Charges for services	9,845	10,874
Interest	739	707
Miscellaneous	29,813	29,293
	<u>-----</u>	<u>-----</u>
	\$810,725	\$775,894
	<u>=====</u>	<u>=====</u>
Expenditures		
Personnel	649,801	595,131
Other Operating	106,215	97,458
	<u>-----</u>	<u>-----</u>
	756,016	692,589
	<u>=====</u>	<u>=====</u>
Net Changes in Net Position	\$ 54,709	\$ 83,305

During the fiscal year total revenues increased by \$34,831, or 4.5%. The total cost of all expenditures increased by \$63,427, or 9.2%. The increase in total revenue is primarily due to an increase in court cost revenue.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2015

CAPITAL ASSETS

At June 30, 2015, the Public Defender has invested \$3,332 in capital assets.

<u>Capital Assets</u>	<u>Governmental Activities</u>	
	<u>6/30/15</u>	<u>6/30/14</u>
Equipment & Furniture	\$30,530	\$30,421
Accumulated Depreciation	<u>(27,198)</u>	<u>(28,322)</u>
Net Capital Assets	<u>\$ 3,332</u>	<u>\$ 2,099</u>

USING THIS ANNUAL REPORT

This annual report consists of a report on the general financial highlighted statements (above), a general report on the entity performance as a whole, and an activities statement on contributing factors affecting the Public Defender's past and future financial conditions. Other supporting financial statements and comments are enclosed as components to the annual audit as presented by the auditing agent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 90 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the Public Defender's future revenues are expected to be consistent with the current years. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month. External factors such as reduction in enforcement activities, convictions, and assessment of court cost could result in a reduction in revenue.

CONTACTING THE BOARD'S MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the district's finances, and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Richard B. Stricks, District Public Defender of the Fortieth Judicial District Public Defenders Office, 75 Dominican Drive, Suite 202, La Place, Louisiana, or telephone, 985-651-6677 (extension 201).

BASIC FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
Governmental Funds Balance Sheet/Statement of Net Position

June 30, 2015

	General Fund	Other Funds	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$159,322	\$0	\$159,322	\$0	\$159,322
Certificates of Deposit	184,171		184,171		184,171
Receivables	65,585	0	65,585	0	65,585
Inventories					
Other Assets	1,200	0	1,200	0	1,200
Capital assets, net of accumulated depreciation (Note C)				3,332	3,332
Total Assets	\$410,278	\$	\$410,278	\$3,332	\$413,610
DEFERRED OUTFLOWS OF RESOURCES					
	0	0	0	0	0
LIABILITIES					
Liabilities:					
Cash overdraft	\$	\$	\$	\$	\$
Accounts payable	-		-	0	-
Payroll Tax Payable	-		-		-
Garnishment Payable	-		-		-
Escrow Payable			-		-
Long-term liabilities					
Due within one year					
Due after one year					
Total Liabilities	\$0		\$0		\$0
DEFERRED INFLOWS OF RESOURCES					
	0	0	0	0	0
FUND BALANCES/NET POSITION					
Fund balances:					
Reserved for inventories					
Unassigned, reported in:					
General Fund	410,278		410,278	(410,278)	-
Other Funds					
Total Fund Balances	410,278		410,278	(410,278)	-
Total Liabilities and Fund Balances	\$ 410,278		\$ 410,278	\$ (410,278)	\$ -
NET POSITION					
Invested in Capital Assets, Net of Related Debt				3,332	3,332
Restricted				-	-
Unrestricted				410,278	410,278
Total Net Position				\$ 413,610	\$ 413,610

The accompanying notes are an integral part of this statement.

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUNDS

Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended June 30, 2015

	General Fund	Other Funds	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Public Defender:					
Salaries	\$286,612		\$286,612		\$286,612
Hospitalization and Disability Insurance			-		-
Payroll Taxes	25,931		25,931		25,931
Workers' Compensation	1,541		1,541		1,541
Malpractice Insurance	9,403		9,403		9,403
Auto/Physical Liability Insurance	2,079		2,079		2,079
Audit/Accounting Expense	6,800		6,800		6,800
Expert Witness	500		500		500
Investigators	38,940		38,940		38,940
Capital Representation			-		-
Contract-Juvenile Attorneys	98,340		98,340		98,340
Misdemeanor Attorney Contracts			-		-
Contract Attorneys-all others	237,377		237,377		237,377
Building Lease/Rent	16,021		16,021		16,021
Office Repairs and Maintenance	4,069		4,069		4,069
IT/Technical Support	3,319		3,319		3,319
Equipment Lease/Rent	2,887		2,887		2,887
Telephone/Utilities/Postage/Internet	7,868		7,868		7,868
Office Supplies	2,579		2,579		2,579
Parking/Auto Tolls	62		62		62
Advertisements	93		93		93
Travel/Lodging/Per Diem/Mileage	2,110		2,110		2,110
Dues and Seminars	1,850		1,850		1,850
Law Library/Journals/Subscriptions	2,295		2,295		2,295
Other Operating Expense	3,935		3,935		3,935
Miscellaneous	-		-		-
Capital Outlay	2,500		2,500	(2,500)	-
Interpreters	138		138	-	138
Depreciation				1,267	1,267
Total Expenditures/Expenses	757,249	-	757,249	(1,233)	756,016
PROGRAM REVENUES					
Charges for services	9,845		9,845		9,845
Statutory fines, forfeitures, fees and court costs	727,224		727,224		727,224
Other charges	29,813		29,813		29,813
Net Program Expense (Revenue)	(9,633)	-	(9,633)	(1,233)	(10,866)
GENERAL REVENUES					
State revenue	43,104		43,104		43,104
Local grants			-		-
Investment earnings	739		739		739
Miscellaneous	-		-		-
Total General Revenues	43,843	-	43,843	-	43,843
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION					
	53,476	-	53,476	1,233	54,709
FUND BALANCE/NET POSITION:					
Beginning of the Year	356,802		356,802	2,099	358,901
End of Year	\$ 410,278	\$ -	\$ 410,278	\$ 3,332	\$ 413,610

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

INTRODUCTION

The Fortieth Judicial District Public Defenders Office (the Public Defender) was established in compliance with Louisiana Revised Statutes 15:141-149 and modified by Act 307 implemented August 15, 2007. The purpose of the Public Defender is to provide adequate legal representation of indigent persons charged with commission of criminal offenses and abuse or neglect of children. The Public Defender encompasses the parish of St. John the Baptist, which is located in the State of Louisiana. The Public Defender is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. The Louisiana Public Defender Board governs the Louisiana Public Defender Office. Revenues to finance the Public Defender's operations are provided primarily from court cost on fines imposed by the various courts within the District and State Revenues received through distributions from the Louisiana Public Defender Office.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying basic financial statements of the Fortieth Judicial District Public Defenders Office 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999 and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

2. Reporting Entity

For the financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defenders Office is part of the district court system of the State of Louisiana. However, the state statues that created the districts also gave each of the District Defenders control over their own operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Louisiana Public Defender Board is financially independent and operates autonomously from the State of Louisiana and is independent from the district court system. Therefore, the Public Defenders Office reports as a reporting entity, not as a component unit and the general purpose financial statements include only the transactions of the Fortieth Judicial District Public Defenders Office.

3. Fund Accounting

The Public Defender Office 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 Public Defender functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts. The fund of the Public Defender is classified as governmental.

Governmental Funds

Governmental funds account for all of the Public Defender's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Public Defender. The following is the Public Defender's governmental fund:

General Fund - the primary operating fund of the Public Defender and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose it is expended or transferred in accordance with state and federal laws and according to Public Defender policy.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Measurement Focus/Basis of Accounting
Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, 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 a government-wide view of the Public Defender's operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, 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 considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues (court fines) are susceptible to accrual.

Expenditures:

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Public Defender as a whole. These statements include all the financial activities of the Public Defender. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed directly from the Public Defender's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Position (Statement A) are as follows:

Net Change in Fund Balance-Governmental Funds	\$ 53,476
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.	
In the current year:	
Expenditures for Capital assets	\$2,500
Less current depreciation expense	(1,267)
	<u>1,233</u>
Change in Net position of governmental activities	<u>\$54,709</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE
 St. John the Baptist Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgets and Budgetary Accounting

The Public Defender’s office 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 Public Defender 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. The budget is made available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on the cash basis of accounting.
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the fiscal year.
5. All annual appropriations lapse at year-end.

The following is a reconciliation of the excess of revenues over expenditures on Schedule 1 (budget comparison) with the excess of revenues over expenditures on Statement B for the General Fund:

	<u>General Fund</u>
Excess (Deficiency) of receipts over disbursements – Schedule 1	\$ 52,765
Add:	
+ Receivables at June 30, 2015	65,585
+ Liabilities at June 30, 2014	-0-
Less:	
- Receivables at June 30, 2014	(64,874)
- Liabilities at June 30, 2015	<u>(-0-)</u>
Excess (Deficiency) of revenues over expenditures – Statement B	<u><u>\$ 53,476</u></u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Encumbrances

The Public Defender does not use encumbrance accounting.

7. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. The Public Defender considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Under state law, the Public Defender may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

8. Court Cost Receivables

Receivables include amounts which were due to be received by June 30, 2015, but were not actually received until after June 30, 2015. Collection is assured for receivables for court costs on fines and forfeitures and bail bond fees; these fees are recognized as revenue when earned.

9. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Public Defender maintains a threshold level of \$300 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 estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, fixtures and equipment	5 years

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Annual and Sick Leave

The Public Defender Office has an annual leave policy for allowing both full time and part time employees. For full time employees (40 hours per week), the vacation policy is after one (1) year of full time service, each employee is entitled to ten days off as paid vacation. After ten (10) years of full time service, each employee is entitled to twenty (20) days off as paid vacation. Vacation days have no cash value. At the time of termination of employment, whether voluntary or involuntary, the departing employee will not be paid any money as compensation for the accumulated unused vacation days. There is only one full time employee in the Public Defender Office.

Sick leave policy allows one day per month sick leave for full-time, permanent employees. Employees may carryover and accumulate up to sixty sick days. Sick days have no cash value. At the time of termination of employment, whether voluntary or involuntary, the departing employee will not be paid any money as compensation for the accumulated unused "sick days."

For part time employees, for each calendar year paid (annual) leave is accrued at variable rates and depends on the number of hours worked per week. Leave for part time employees range from four (4) hours per month to eight (8) hours per month and must be taken or lost by December 31. Annual leave is undifferentiated between sick leave and vacation. Paid leave has no cash value. At the time of termination of employment, whether voluntary or involuntary, the departing employee will not be paid any money as compensation for the accumulated unused leave.

There are no paid leave provisions for contractors who are denied pay when they miss scheduled court appearances for any reason, including handling a case in their private practice, illness, or vacation.

11. 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.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
Notes to the Financial Statements
June 30, 2015

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. At year end, the Public Defender did not have any borrowings that were related to capital assets.
- b. Restricted net position – Consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be 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.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt,” or deferred outflows of resources, liabilities, and deferred inflows of resources.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental fund equity is classified as fund balance. The Public Defender has adopted GASB Statement 54 for the year ended June 30, 2015. As such, fund balance of the governmental fund is classified as follows:

Non-spendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the Public Defenders office or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Public Defender.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE
 St. John the Baptist Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2015

Assigned- represents balances that are constrained by the Public Defender's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned- represents balances for which there are no constraints.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the District reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the District reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

NOTE B – CASH

At June 30, 2015, the Public Defender had cash (book balances) as follows:

	Current
	Unrestricted
Demand deposit	\$159,322
Time deposits	<u>184,171</u>
Total	<u>\$343,493</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Custodial Credit Risk-Is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$349,118 of the bank balance was not exposed to custodial credit risk.

Interest Rate Risk-The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE C – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2015 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Furniture, Fixtures, Equipment & Computers	\$30,421	2,500	(2,391)	\$30,530
Less: Accumulated Depreciation	28,322	1,267	(2,391)	27,198
Net Capital Assets	\$ 2,099	1,233	\$ -0-	\$3,332

For the year ended June 30, 2015, depreciation expense was \$1,267.

NOTE D – PENSION PLAN

The Fortieth Judicial District Public Defenders Office does not have a pension plan or any other retirement plan for their employees.

NOTE E – OTHER POSTEMPLOYMENT BENEFITS

The Fortieth Judicial District Public Defenders Office does not provide any other post-employment benefits.

NOTE F – LEASES AND COMMITMENTS

The Public Defender leases office space (Suite 202) under a two-year operating lease, which expired June 30, 2010. After June 30, the lease became month to month. The monthly rental payment is \$1,200. In addition, the Public Defender entered into an agreement to lease a copier under a five year operating lease, which expires September 14, 2016. The rental payment is \$234.12 per month. The Public Defender also rents storage space under a one year operating lease which expires March 12, 2016. The total rent for the year was paid in total by June 30, 2015. The Public Defender has no other capital or operating leases open at June 30, 2015. For the year ended June 30, 2015, rent expense for office space and equipment totaled \$18,908.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

The minimum annual commitments under non-cancelable operating leases are as follows:

Fiscal Year	<u>Equipment</u>
2016	\$2,809
2017	468
2018	-0-
2019	-0-
2020	<u>-0-</u>
Total	\$ 3,277

NOTE G – 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 H – CONCENTRATIONS

The majority of revenue earned by the district comes from the Parish of St John the Baptist in the form of bail bond fees, forfeitures, and court cost. The principal funding source consists of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the Public Defenders Office workload or expenses. External factors such as reduction in enforcement activities, convictions, and assessment of court cost could result in a reduction in revenue.

NOTE I – ECONOMIC FACTORS

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 90 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the Public Defender's future revenues are expected to be not greater than the current year.

NOTE J – HEALTH CARE AND LIFE INSURANCE BENEFITS

The Public Defender does not provide continuing health insurance benefits for active employees.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, September 10, 2015, and determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE L – RISK MANAGEMENT

The Public Defenders Office is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defenders Office has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the year that exceeded the Public Defenders Office's coverage.

The Public Defenders Office's management has not purchased commercial insurance or made provisions to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE M - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2015, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:	
State Government	
Appropriations - general	\$43,104
Appropriations - special	
Revenue sharing	
Grants	
On-behalf payments	
Other	
Total	\$43,104

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

Local Government		
Appropriations - general		
Appropriations - special		
Grants		
Statutory fines, forfeitures, fees, court costs, and other	\$727,224	
Taxes - millages, sales, special, and other		
Criminal court fund		
On-behalf payments		
Condition of Probation	29,813	
Total		\$757,037
Federal Government		
Grants - direct		
Grants - indirect (passed-through state)		
Total		
Other Grants and Contributions		
Non-profit organizations		
Private organizations		
Corporate		
Other		
Total		
Charges for Services		\$9,845
Investment earnings		\$739
Miscellaneous		\$0
Total Revenues		\$810,725

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

Expenditures:		
Personnel Services and Benefits		
Salaries	\$286,612	
On-behalf payments - salaries		
Retirement contributions		
On-behalf payments - retirement		
Insurance	1,541	
On-behalf payments - insurance		
Payroll taxes	25,931	
Other		
Total		\$314,084
Professional Development		
Dues, licenses, and registrations	1,850	
Travel		
Other		
Total		\$1,850
Operating Costs		
Library and research	2,295	
Contract services - attorney/legal	335,717	
Contract services - other	46,240	
Lease - office	16,021	
Lease - autos and other	2,887	
Travel - transportation	1,271	
Travel - other	840	
Insurance	11,482	
Supplies	2,579	
Repairs and maintenance	4,069	
Utilities and telephone	7,868	
Other	7,546	
Total		\$438,815
Debt Service		
Capital outlay		
		\$2,500
Total Expenditures		\$757,249

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2015

NOTE N - NEW ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2013, the district has adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets has been renamed the Statement of Net Position, and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

REQUIRED SUPPLEMENTAL INFORMATION

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(Cash Basis) and Actual
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Cash Basis	Budget to GAAP Differences Over(Under)	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Charges for services	\$ 8,062	\$ 9,845	\$ 9,845	\$ -	\$ 9,845
Statutory fines, forfeitures, fees and court costs	624,701	726,512	726,513	712	727,224
Other charges	23,982	29,813	29,813	-	29,813
State revenue	34,316	41,149	43,104	1,955	43,104
Local grants				-	
Investment earnings	961	640	739	99	739
Miscellaneous				-	
Total revenues	692,022	807,959	810,014	2,766	810,725
EXPENDITURES					
Salaries	286,600	286,612	286,612	-	286,612
Hospitalization and Disability Insurance				-	
Payroll Taxes	28,842	24,475	25,931	1,456	25,931
Workers' Compensation	1,450	1,541	1,541	-	1,541
Malpractice Insurance	9,200	9,403	9,403	-	9,403
Auto/Physical Liability Insurance	2,038	2,079	2,079	-	2,079
Audit/Accounting Expense	6,600	6,800	6,800	-	6,800
Expert Witness	30,000	500	500	-	500
Investigators	37,200	38,940	38,940	-	38,940
Capital Representation	7,200			-	
Contract-Juvenile Attorneys	96,340	98,340	98,340	-	98,340
Misdemeanor Attorney Contracts				-	
Contract Attorneys-all others	225,440	237,377	237,377	-	237,377
Building Lease/Rent	14,400	16,020	16,021	1	16,021
Office Repairs and Maintenance	1,725	4,069	4,069	-	4,069
IT/Technical Support	4,000	3,319	3,319	-	3,319
Equipment Lease/Rent	2,417	2,887	2,887	-	2,887
Telephone/Utilities/Postage/Internet	6,810	7,868	7,868	-	7,868
Office Supplies	2,600	2,579	2,579	-	2,579
Parking/Auto Tolls		62	62	-	62
Advertisements	100	93	93	-	93
Travel/Lodging/Per Diem/Mileage	3,160	2,111	2,110	(1)	2,110
Dues and Seminars	2,671	1,850	1,850	-	1,850
Law Library/Journals/Subscriptions	2,877	2,295	2,295	-	2,295
Other Operating Expense	2,500	2,902	3,935	1,033	3,935
Miscellaneous				-	
Capital Outlay		3,596	2,500	(1,096)	2,500
Interpreters	240	138	138	-	138
Depreciation				-	
Total Expenditures	774,410	755,856	757,249	1,393	757,249
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(82,388)	52,103	52,765	1,373	53,476
OTHER FINANCING SOURCES (Uses)					
Total other financing sources (uses)					
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(82,388)	52,103	52,765	1,373	53,476
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	291,928	291,928	291,928	64,874	356,802
FUND BALANCE (Deficit) AT END OF YEAR	\$ 209,540	\$ 344,031	\$ 344,693	\$ 66,247	\$ 410,278

EXPLANATION OF DIFFERENCES:

(1) Receivables at 6/30/14

64,874

(2) Payables at 6/30/14

Net increase in fund balance--budget to GAAP

64,874

The accompanying notes are an integral part of this statement.

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUND - GENERAL FUND**

**Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2015**

Agency Head Name: Richard B. Stricks, District Public Defender

<u>Purpose</u>	<u>Amount</u>
Salary	95,000.00
Benefits - Insurance	
Benefits - Retirement	
Benefits - Other	
Benefits - Payroll Taxes	7,268.00
Car Allowance	
Vehicle provided by government	
Per diem	
Reimbursements	573.00
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

The accompanying notes are an integral part of this statement.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

KEITH M. RIVERE, CPA

**75 Dominican Drive
Suite 206
LaPlace, LA 70068
(985) 652-6029**

**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**

To the District Public Defender
Fortieth Judicial District
Public Defenders Office
La Place, Louisiana

I 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 Fortieth Judicial District Public Defenders Office (the "Public Defender"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Public Defender Office's basic financial statements and have issued my report thereon dated September 10, 2015.

Internal Control over Financial Reporting

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

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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, identified as findings 15-1(IC) and 15-2(IC) that I consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Public Defenders Office's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Fortieth Judicial District Public Defenders Office's Response to Findings

The Public Defender's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. I did not audit the Public Defender's response and accordingly, I express no opinion on it.

Purpose of this Report

The purpose of report is solely to describe the scope of my 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 and should be read in conjunction with the enclosed Independent Auditor's Report in considering the entity's internal control and compliance. According, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Keith M. Rivere
Certified Public Accountant
September 10, 2015

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana

Summary Schedule of Current and Prior Year Audit Findings and Responses
For The Year Ended June 30, 2015

Ref. No	Fiscal Year Finding Initially Occurred	Description of findings	Corrective Action Taken	Responses	Name of Contact Person	Anticipated Completion Date
Current Year (6/30/15)						
Internal Control						
15-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Richard Stricks	N/A
15-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Richard Stricks	N/A
Prior Year (6/30/14)						
Internal Control						
14-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Richard Stricks	N/A
14-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Richard Stricks	N/A