

**TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE**

Annual Financial Report

As of and for the Year Ended

June 30, 2014

KEITH J. ROVIRA
Certified Public Accountant

**TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana**

**Basic Financial Statements
and
Independent Auditor's Report**

As of and for the Year Ended

June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Twenty-Fourth Judicial District Public Defender Office
Jefferson Parish, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the Twenty-Fourth Judicial District Public Defender Office, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the public defender's office 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 include 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 the *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 of 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 public defender's office'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 public defender's office's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the 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 net position of the Twenty-Fourth Judicial District Public Defender Office, as of June 30, 2014, and the respective changes in net position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The Twenty-Fourth Judicial District Public Defender Office adopted the provisions of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," in 2013. My opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 response 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.

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

The supplementary information schedules listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated October 23, 2014, on my consideration of the Twenty-Fourth Judicial District Public Defender Office's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the public defender's office's internal control over financial reporting and compliance.



Keith J. Rovira
Certified Public Accountant
Metairie, Louisiana

October 23, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Jefferson Parish, Louisiana

Management's Discussion and Analysis

As of and for the Year Ended June 30, 2014

The Management's Discussion and Analysis (MD&A) of the Twenty-Fourth Judicial District Public Defender Office's financial performance presents a narrative overview and analysis of the office's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the Twenty-Fourth Judicial District Public Defender 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 Twenty-Fourth Judicial District Public Defender Office 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 Twenty-Fourth Judicial District Public Defender Office from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the Twenty-Fourth Judicial District Public Defender Office's overall financial status.
- (2) Fund Financial Statements, which include a Balance Sheet and a Statement

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2014

of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the public defender's office 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 public defender's office's only 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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Current assets	\$478,591	\$644,456
Capital assets	<u>4,376</u>	<u>6,348</u>
Total Assets	<u>482,967</u>	<u>650,804</u>
Current liabilities	12,131	12,988
Long-term liabilities	<u>58,826</u>	<u>59,299</u>
Total Liabilities	<u>70,957</u>	<u>72,287</u>
Net Position:		
Invested in capital assets, net of debt	4,376	6,348
Unrestricted	<u>407,634</u>	<u>572,169</u>
Total Net Position	<u>\$412,010</u>	<u>\$578,517</u>

Total Net Position decreased by \$166,507, or 29%. This is occurring largely because annual

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Jefferson Parish, Louisiana

Management's Discussion and Analysis

As of and for the Year Ended June 30, 2014

court cost revenues decreased from the prior year.

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

Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues	\$3,173,633	\$3,203,127
Expenditures	<u>3,338,641</u>	<u>3,418,823</u>
Net Change in Fund Balance	<u>\$(165,008)</u>	<u>\$(215,696)</u>

During the fiscal year total revenues decreased \$29,494, and total expenditures decreased \$80,182.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The public defender's office had \$4,376 invested in office furniture and equipment and computers at year end. This amount represents the original purchase price (\$100,773) of all capital assets less all accumulated depreciation (\$96,397) on those assets from their acquisition date up to this fiscal year end.

Debt and Long-Term Liabilities:

The public defender's office did not have any debt outstanding at year end. However, it did have

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Jefferson Parish, Louisiana
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2014

long-term liabilities totaling \$58,826, all of which were accrued annual and sick leave outstanding at year end.

ECONOMIC FACTORS AND THE JUNE 30, 2015 FISCAL YEAR-END BUDGET

The district defender considered the following factors and indicators when setting up its June 30, 2015, fiscal year-end budget: (1) court cost revenues are anticipated to come in lower than that for the prior year; (2) total appropriation monies received from the Louisiana Public Defender Board are expected to be about \$30,000 more than the previous fiscal year-end; (3) all other revenues are not expected to change appreciably; (4) total expenditures are expected to be relatively the same year over year; (5) budgeted expenditures are expected to exceed budgeted revenues by approximately \$265,000 during the fiscal year-to-end on June 30, 2015, which will result in a projected fund balance at June 30, 2015 of \$142,000 (actual fund balance at June 30, 2014 of \$407,000 (rounded) minus a projected deficiency of revenues over expenditures for fiscal year-to-end June 30, 2015 of \$265,000.

If significant additional revenue/cash funding is not received before May, 2015, then the public defender's office will need to implement significant cost cutting measures, which will be necessary to keep from depleting its entire available cash fund balance during the fiscal year-to-end on June 30, 2015.

CONTACTING THE PUBLIC DEFENDER OFFICE

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the public defender's office's finances, and to show accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Richard M. Tompson, District Defender, 848 2nd Street, 3rd Floor, Gretna, LA 70053, or by telephone at 504-364-2824.

BASIC FINANCIAL STATEMENTS
(GOVERNMENT-WIDE FINANCIAL STATEMENTS)

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash (Note B)	<u>\$478,591</u>
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Total Current Assets	<u>478,591</u>
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Noncurrent Assets:

Capital assets (net of depreciation) (Note C)	<u>4,376</u>
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Total Noncurrent Assets	<u>4,376</u>
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TOTAL ASSETS	<u>482,967</u>
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Deferred Outflows of Resources	<u>-</u>
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LIABILITIES

Current Liabilities:

Payroll deductions	9,631
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Revenue received - DWI court	<u>2,500</u>
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Total Current Liabilities	<u>12,131</u>
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Noncurrent Liabilities:

Accrued annual & sick leave payable (Note A.7 & F)	<u>58,826</u>
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Total Noncurrent Liabilities	<u>58,826</u>
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TOTAL LIABILITIES	<u>70,957</u>
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Deferred Inflows of Resources	<u>-</u>
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NET POSITION

Invested in capital assets, net of related debt	4,376
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Unrestricted	<u>407,634</u>
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TOTAL NET POSITION	<u>\$412,010</u>
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The accompanying notes are an integral part of this statement.

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Statement of Activities
For the Year Ended June 30, 2014

EXPENSES**Governmental Activities:**

Attorneys' fees	\$2,776,338
Salaries and related benefits	199,119
Other professional services	199,575
Operating services	138,850
Office supplies and expenses	21,717
Capital outlay	824
Depreciation	<u>3,717</u>

Total Expenses 3,340,140

GENERAL REVENUES

Court costs	2,146,664
Intergovernmental revenue:	
Louisiana Public Defender Board	576,114
Bail bond forfeitures and license fees	346,302
Criminal justice bond fee	24,038
Application fees	42,619
Drug and DWI court programs	30,000
Interest earnings	866
Other	<u>7,030</u>

Total General Revenues 3,173,633

Change in Net Position (166,507)

Net Position at June 30, 2013 578,517

Net Position at June 30, 2014 \$412,010

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
(FUND FINANCIAL STATEMENTS)

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Balance Sheet
 General Fund - Governmental Fund
 June 30, 2014

ASSETS

Current Assets:

Cash	\$ <u>478,591</u>
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TOTAL ASSETS	\$ <u>478,591</u>
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LIABILITIES AND FUND BALANCE

Current Liabilities:

Payroll deductions	\$ 9,631
Revenue received - DWI court	<u>2,500</u>

Total Liabilities	<u>12,131</u>
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Fund balance:

Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>466,460</u>

Total Fund Balance	<u>466,460</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$478,591</u>
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The accompanying notes are an integral part of this statement.

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2014

Total Fund Balance - Governmental Fund \$466,460

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

Capital assets (\$4,376) and accrued annual and
sick leave (\$58,826) are used in governmental activities
and are not current financial resources, therefore, they are
not reported in the Governmental Funds Balance Sheet.

This is the net difference between these two amounts.

(54,450)

Total Net Position of Governmental Activities \$412,010

The accompanying notes are an integral part of this statement.

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund - Governmental Fund
For the Year Ended June 30, 2014

REVENUES

Court costs	\$2,146,664
Intergovernmental revenue:	
Louisiana Public Defender Board	576,114
Bail bond forfeitures and license fees	346,302
Criminal justice bond fee	24,038
Application fees	42,619
Drug and DWI court grants	30,000
Interest earnings	866
Other	<u>7,030</u>
 Total Revenues	 <u>3,173,633</u>

EXPENDITURES

Attorneys' fees	2,776,338
Salaries and related benefits	199,119
Other professional services	199,575
Operating services	139,323
Office supplies and expenses	21,717
Capital outlay	<u>2,569</u>
 Total Expenditures	 <u>3,338,641</u>

Net Change in Fund Balance	(165,008)
 Fund Balance at June 30, 2013	 <u>631,468</u>
 Fund Balance at June 30, 2014	 <u>\$466,460</u>

The accompanying notes are an integral part of this statement.

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TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balance - Governmental Funds \$(165,008)

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

Governmental funds report capital asset additions as
expenditures. However, in the Statement of Activities,
the cost of those assets is allocated over their estimated
useful lives as depreciation expense; in addition, the change
in accrued annual and sick leave for the period is also a
component in the difference between the change in
net position and the change in fund balance.

(1,499)

Change in Net Position of Governmental Activities \$(166,507)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

INTRODUCTION

On August 15, 2007, Act 307 of the 2007 Louisiana Legislative Session transferred all of the same duties, functions and powers of state Indigent Defender Boards to separate and individual District Public Defenders and their offices. District public defenders will continue to provide counsel to represent indigents in criminal cases at the district court level. The judicial district encompasses Jefferson Parish, Louisiana.

For the Twenty-Fourth judicial district, revenues received for the public defender office's operations are provided primarily from court costs on fines imposed by the various courts within the district. The public defender offices, that have a need for funding, also receive monies from a grant-in-aid program intended to supplement financial assistance in felony cases.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Presentation**

The accompanying basic financial statements of the Twenty-Fourth Judicial District Public Defender Office have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Twenty-Fourth Judicial District Public Defender Office has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In this regard, the public defender's office will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the public defender's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD&A).

The accompanying financial statements of the Twenty-Fourth Judicial District Public Defender Office present information only as to the transactions of the programs of the

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

public defender's office as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting. Therefore, court costs, intergovernmental revenue received from the state's Louisiana Public Defender Board, bail bond forfeitures and licenses fees, application fees, interest earnings, and other revenues of the public defender's office are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are also recognized on the full accrual basis of accounting. Therefore, attorneys' fees, salaries, professional services, operating services and other expenses are recognized in the period incurred, if measurable.

2. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, the public defender office is a part of the district court system of the State of Louisiana. However, the state statutes that create the public defender office also give each district defender control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Therefore, the public defender's office reports as an independent reporting entity and the financial statements include only the transactions of the Twenty-Fourth Judicial District Public Defender Office. Furthermore, the Jefferson Parish Council does not include the Public Defender Office as a component unit in its comprehensive annual financial report.

3. Fund Accounting

The public defender's office uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The public defender's office's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets. The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the district public defender and accounts for the operation of the office. General operating expenditures are paid from this fund.

4. Budgets

The original budget for the year ended June 30, 2014, was proposed, advertised in the official journal of the parish, and made available for public inspection at the Gretna office of the public defender's office on May 26, 2013. The budget was prepared on the accrual basis of accounting, and after a public hearing was adopted on June 14, 2013. The budget was not subsequently amended.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. All appropriations contained in the budget lapse at year end.

5. Cash

Cash includes amounts in an interest bearing demand deposit account. Under state law, funds may be deposited into demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

6. Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

demands. Straight-line depreciation is used based on the following estimated useful lives: 5 years on office furniture, equipment and computers; 10 years on telephone system. Capital assets are reported net of their accumulated depreciation on the Statement of Net Position in the financial statements section of this audit report.

7. Compensated Absences (Vacation and Sick Leave)

Full-time employees of the public defender's office earn and accumulate vacation and sick leave at various rates, depending on their length of service. All full-time employees may carry a maximum of 90 days of unused vacation leave from one calendar year to another. Upon separation from employment, and provided that certain conditions have been met as set forth in the policy adopted by the public defender's office, employees are paid for all unused vacation leave at the hourly rates in effect at the time of separation from employment for each applicable employee.

All full-time employees earn one-half day of sick leave each biweekly pay period worked. There is no limit on the amount of sick leave that may be accumulated and carried forward from one year to the next. Upon separation from employment, employees who were hired before April 26, 1986, receive compensation for one-half of all unused sick leave remaining at the time of separation. Employees hired on or after April 26, 1986, receive compensation for no more than 40 days (280 hours) of unused sick leave.

The liability that the public defender's office has to its employees for accumulated vacation and sick leave is calculated by multiplying the applicable pay rate for each employee by the number of hours of leave time eligible for compensation at year-end. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as an expense in the current year.

8. Long-term Obligations

The only long-term obligations were for accrued annual and sick leave benefits for employees.

9. Encumbrances

Encumbrance accounting is not utilized by the public defender's office due to the

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. 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.
- b. Restricted net position: consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on their 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 "invested in capital assets, net of related debt" or "restricted net position," or deferred outflows of resources, liabilities, and deferred inflows of resources.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance of the governmental fund is further classified as follows:

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable: These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: These are amounts that can be spent 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.

Committed: These are amounts that can be used only for specific purposes determined by a formal action of the public defender's office. The public defender's office is the highest level of decision making authority for the public defender's office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the public defender's office.

Assigned: These are 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 its adopted policy, only the public defender's office may assign amounts for specific purposes.

Unassigned: These are all other spendable amounts.

	<u>General Fund</u>
Nonspendable:	-
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	<u>\$466,460</u>
Total	<u>\$466,460</u>

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE B - CASH

At June 30, 2014, the carrying amounts (book balances) of cash of the public defender's office is as follows:

Cash in an interest bearing checking account	<u>\$478,591</u>
Total	<u>\$478,591</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. At June 30, 2014, the office had \$604,990 in bank balances. These deposits were secured from risk by \$250,000 of federal deposit insurance and \$771,236 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE B - CASH (CONTINUED)

public defender that the fiscal agent has failed to pay deposited funds upon demand.

NOTE C - CAPITAL ASSETS

The capital assets used in the governmental-type activities are included on the Statement of Net Position of the public defender's office and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the office is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

A summary of changes in capital assets and accumulated depreciation during the fiscal year is listed as follows:

	<u>Balance</u> <u>6/30/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/14</u>
<u>Capital Assets</u>				
Office furniture and equipment	<u>\$99,028</u>	<u>\$1,745</u>	-	<u>\$100,773</u>
Total	<u>\$99,028</u>	<u>\$1,745</u>	-	<u>\$100,773</u>
<u>Less Accumulated Depreciation for -</u>				
Office furniture and equipment	<u>\$92,680</u>	<u>\$3,717</u>	-	<u>\$96,397</u>
Total	<u>\$92,680</u>	<u>\$3,717</u>	-	<u>\$96,397</u>

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE D - PENSION PLAN

All full-time employees of the public defender's office are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system. The plan is controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of the member's final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only, prior to January 1, 1980, the benefit is equal to one per cent of the final-average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy

Under Plan A, members of the System are required to contribute 9.50% of their annual covered salary and the office is required to make employer contributions at an actuarially determined rate. The employer contribution rate for the current calendar year was 16.75% of the annual covered payroll for employee participants. Contributions to the System also

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE D - PENSION PLAN (CONTINUED)

include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the board are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

Employer contributions to the System under Plan A for the fiscal years ended June 30, 2014, 2013, and 2012 were \$21,584, \$27,763, and \$29,079, respectively. These amounts equaled the required contributions for each year.

NOTE E - LEASES

Operating leases are all leases that do not meet the criteria of capital leases.

Effective April 1, 2013, a new lease agreement for the same office space was entered into for a period of 5 years at a rental rate of \$4,250 per month. Lease payments under this lease will end on March 31, 2018.

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

<u>Year Ended</u>	<u>Amount</u>
June 30, 2015	51,000
June 30, 2016	51,000
June 30, 2017	51,000
March 31, 2018	<u>12,600</u>
Total	<u>\$165,600</u>

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2014

NOTE F - COMPENSATED ABSENCES AND LONGTERM OBLIGATIONS

At June 30, 2014, employees of the office had accumulated and vested vacation and sick leave benefits, which were computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group and is summarized as follows:

Balance, June 30, 2013	\$59,299
Additions	16,473
Deletions	<u>(16,946)</u>
Balance, June 30, 2014	<u>\$58,826</u>

There were no other long-term obligations during the year.

NOTE G - LITIGATION AND CLAIMS

As of June 30, 2014, no liability is required to be accrued in the basic financial statements of the public defender's office under the provisions of GASB Codification Section C50.

NOTE H - OFFICE COSTS NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include costs for office space and utilities for the office on the east bank of the Mississippi River in Jefferson Parish's First Parish Court, nor for the office on the west bank in the Parish's Juvenile Court.

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE I - GOVERNMENTAL FUND 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

Appropriations - general	-	
Appropriations - special	\$576,114	
Revenue sharing	-	
Grants	-	
On-behalf payments	-	
Other	-	
	<hr/>	
Total		\$576,114

Local Government

Appropriations - general	-	
Appropriations - special	-	
Grants	30,000	
Statutory fines, forfeitures, fees, court costs, and other	2,566,653	
Taxes - millages, sales, special, etc.	-	
Criminal court fund	-	
On-behalf payments	-	
Other	-	
	<hr/>	
Total		2,596,654

Federal Government

Grants - direct	-	
Grants - indirect (passed-through)	-	
	<hr/>	
Total		-

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2014

NOTE I - GOVERNMENTAL FUND REVENUES AND EXPENDITURES (CONTINUED)

Revenues (Continued):

Other Grants and Contributions

Nonprofit organizations	-	
Private organizations	-	
Corporate	-	
Other	-	
	<u>-</u>	
Total		-
Charges for Services		-
Investment earnings		\$ 866
Miscellaneous		<u>-</u>
Total Revenues		<u>\$3,173,633</u>

Expenditures

Personnel Services and Benefits

Salaries	\$172,900	
On-behalf payments - salaries	-	
Retirement contributions	21,584	
On-behalf payments - retirement	-	
Insurance	525	
On-behalf payments - insurance	-	
Payroll taxes	2,830	
Other	<u>1,753</u>	
Total		\$199,592

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Notes to the Financial Statements
 June 30, 2014

NOTE 1 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES (CONTINUED)

Expenditures (Continued):

Professional Development

Dues, licenses and registrations	\$10,825	
Travel	1,921	
Other	<u>-</u>	
Total		\$12,746

Operating Costs

Library and research	9,941	
Contract services - attorneys/legal	2,776,338	
Contract services - other	199,575	
Lease - office	53,100	
Lease - autos and other	5,304	
Travel - transportation	-	
Travel - other	-	
Insurance	38,302	
Supplies	13,105	
Repairs and maintenance	9,158	
Utilities and telephone	15,516	
Other	<u>3,395</u>	
Total		3,123,734

Debt Service

-

Capital Outlay

2,569

Total Expenditures \$3,338,641

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Notes to the Financial Statements
June 30, 2014

NOTE J - RISK ASSESSMENT

The public defender's office is exposed to risks of loss in the areas of general liability, professional liability and workers compensation. These risks are handles by purchasing insurance. There have been no reductions in insurance coverage during the current year, nor have there been claims against the office.

NOTE K - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 Jefferson Parish, Louisiana
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Using Final Budget Positive (Negative)
REVENUES				
Court costs	\$2,238,000	\$2,238,000	\$2,153,694	\$(84,306)
Intergovernmental Revenue:				
Louisiana Public Defender Board	607,662	607,662	576,114	(31,548)
Bail bond forfeiture & license fees	236,000	236,000	346,302	110,302
Criminal justice bond fee	21,000	21,000	24,038	3,038
Application fees	42,000	42,000	42,619	619
Drug and DWI court grants	30,000	30,000	30,000	-
Interest earnings	<u>500</u>	<u>500</u>	<u>866</u>	<u>366</u>
Total Revenues	<u>3,175,162</u>	<u>3,175,162</u>	<u>3,173,633</u>	<u>(1,529)</u>
EXPENDITURES				
Attorneys' fees	2,782,790	2,782,790	2,776,338	6,452
Salaries and related benefits	212,430	212,430	199,119	13,311
Other professional services	261,000	261,000	199,575	61,425
Operating services	148,700	148,700	139,323	9,377
Office supplies and expenses	26,100	26,100	21,717	4,383
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>2,569</u>	<u>17,431</u>
Total Expenditures	<u>3,451,020</u>	<u>3,451,020</u>	<u>3,338,641</u>	<u>112,379</u>
Excess (Deficiency) of Revenues over Expenditures	(275,858)	(275,858)	(165,008)	110,850
Fund Balance at June 30, 2013	<u>631,468</u>	<u>631,468</u>	<u>631,468</u>	<u>-</u>
Fund Balance at June 30, 2014	<u>\$355,610</u>	<u>\$355,610</u>	<u>\$466,460</u>	<u>\$110,850</u>

The accompanying notes are an integral part of this statement.

INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS

KEITH J. ROVIRA
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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*

Twenty-Fourth Judicial District Public Defender Office
Jefferson Parish, Louisiana

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Twenty-Fourth Judicial District Public Defender Office, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Twenty-Fourth Judicial District Public Defender Office's basic financial statements and have issued my report thereon dated October 23, 2014.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Twenty-Fourth Judicial District Public Defender 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 the 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*.

Purpose of this Report

The purpose of this 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 public defender's office's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the public defender's office's internal control and compliance. Accordingly, 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.

A handwritten signature in blue ink that reads "Keith J. Rovira". The signature is written in a cursive style with a large initial 'K' and 'R'.

Keith J. Rovira
Certified Public Accountant
Metairie, Louisiana

October 23, 2014

TWENTY-FOURTH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana
Supplementary Information Schedule
Summary Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan
For the Year Ended June 30, 2014

I have audited the accompanying basic financial statements of the Twenty-Fourth Judicial District Public Defender Office as of and for the year ended June 30, 2014, and have issued my report thereon dated October 23, 2014. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2014, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There were no material weaknesses in internal control and no other deficiencies which required disclosure in this audit report.

There were no instances of noncompliance that were required to be reported in this audit report.

There were no findings required to be reported and no management letter was issued for the current audit period.

The Twenty-Fourth Judicial District Public Defender Office did not receive any federal funds during the year ended June 30, 2014.

Contact Person:
Mr. Richard M. Tompson
District Defender
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504-364-2824