

**TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND**  
St. Charles Parish, Louisiana

Annual Financial Report

Year Ended June 30, 2014

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## INDEPENDENT AUDITOR'S REPORT

**To The District Public Defender  
Twenty-Ninth Judicial District  
Public Defender Fund  
Hahnville, Louisiana**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twenty-Ninth Judicial District Public Defender Fund 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 as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

**Opinion**

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

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 and budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Twenty-Ninth Judicial District Public Defender Fund's basic financial statements. The other supplemental information presented on pages 28-29 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014 on our consideration of the Twenty-Ninth Judicial District Public Defender Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the Twenty-Ninth Judicial District Public Defender Fund's internal control over financial reporting and compliance.

  
Harvey, Louisiana  
December 10, 2014

**TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND**

St. Charles Parish, Louisiana

**Management's Discussion and Analysis**

Within this section of the annual financial report of the District Public Defender Fund of the Twenty - Ninth Judicial District of St. Charles Parish, the District Public Defender Fund's management provides this narrative discussion and analysis of the financial activities of the District Public Defender Fund for the year ended June 30, 2014. The District Public Defender Fund's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

The District Public Defender Fund's assets exceeded its liabilities by \$1,086,174 (net position) for the twelve months reported.

Total net position is comprised of the following:

- Investment in capital assets of \$2,637 includes property and equipment, net of accumulated depreciation of \$35,524
- Unrestricted net position of \$1,083,537 represents the portion available to maintain the District Public Defender Fund's continuing obligations to citizens and creditors

The District Public Defender Fund's General Fund reported total ending unassigned fund balance of \$1,086,174 for the twelve months ended June 30, 2014. This compares to the June 30, 2013 ending unassigned fund balance of \$831,130 showing an increase of \$255,044 during the current twelve month period.

The above financial highlights are explained in more detail in the following sections of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis document introduces the District Public Defender Fund's basic financial statements. The basic financial statements include: (1) government - wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District Public Defender Fund also includes in this report additional information to supplement the basic financial statements.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

**GOVERNMENT - WIDE FINANCIAL STATEMENTS**

The District Public Defender Fund's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District Public Defender Fund's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the District Public Defender Fund's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Public Defender Fund as a whole is improving or deteriorating. Evaluation of the overall health of the District Public Defender Fund would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the District Public Defender Fund's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District Public Defender Fund's distinct activities or functions on revenues provided by St. Charles Parish and the State of Louisiana.

The government-wide financial statements present governmental activities of the District Public Defender Fund that are principally supported by intergovernmental revenues. The sole purpose of these governmental activities is judicial.

The government-wide financial statements are presented on pages 10 and 11 of this report.

**FUND FINANCIAL STATEMENTS**

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The District Public Defender Fund uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District Public Defender Fund's most significant funds rather than the District Public Defender Fund as a whole.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

The District Public Defender Fund has only governmental funds.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District Public Defender Fund's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 12-15 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 16 of this report.

**FINANCIAL ANALYSIS OF THE DISTRICT PUBLIC DEFENDER FUND AS A WHOLE**

The District Public Defender Fund recently implemented the new financial reporting model used in this report. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District Public Defender Fund as a whole.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

The District Public Defender Fund's net position as of June 30, 2014 and 2013 was \$1,086,174 and \$831,130 respectively. The following table provides a summary of the District Public Defender Fund's net position:

Summary of Net Position

	June 30, 2014 Governmental Activities	June 30, 2013 Governmental Activities
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,095,737	\$ 845,779
Receivables from other governments	1,411	1,002
Capital assets, net of depreciation	<u>2,637</u>	<u>4,930</u>
Total assets	<u>1,099,785</u>	<u>851,711</u>
<b>Liabilities:</b>		
Current liabilities	5,369	8,452
Accounts payable	<u>8,242</u>	<u>12,129</u>
Total liabilities	<u>13,611</u>	<u>20,581</u>
<b>Net position:</b>		
Net investment in capital assets	2,637	4,930
Unrestricted	<u>1,083,537</u>	<u>826,200</u>
Total net position	<u>\$ 1,086,174</u>	<u>\$ 831,130</u>



TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

The following table provides a statement of the District Public Defender Fund's condensed statement of activities and changes in net position:

Condensed Statement of Activities and Changes in Net Position

	Twelve month period ended June 30, 2014 Governmental Activities	Twelve month period ended June 30, 2013 Governmental Activities
Revenues:		
Program:		
Fees and Fines	\$ 1,348,544	\$ 1,185,109
Other income	2,798	1,628
General:		
Interest	<u>3,037</u>	<u>2,041</u>
Total revenues	1,354,379	<u>1,188,778</u>
Program expenses:		
Judicial	<u>1,099,335</u>	<u>1,017,581</u>
Total expenses	<u>1,099,335</u>	<u>1,017,581</u>
Change in net position (Increase)	255,044	171,197
Beginning net position	<u>831,130</u>	<u>659,933</u>
Ending net position	\$ <u>1,086,174</u>	\$ <u>831,130</u>

**GOVERNMENTAL REVENUES**

The District Public Defender Fund is reliant on fee and fine collections from St. Charles Parish and the State of Louisiana to support its operations. Unlike many other agencies, the District Public Defender Fund receives no property tax or sales tax revenue. The District Public Defender Fund's financial position has enabled it to earn \$3,037 in interest to support governmental activities.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

**FINANCIAL ANALYSIS OF THE DISTRICT PUBLIC DEFENDER FUND'S MAJOR FUNDS**

**Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds had an ending fund balance of \$1,083,537, all of which is unassigned indicating availability for continuing the District Public Defender Fund's activities.

**CAPITAL ASSETS**

The District Public Defender Fund's investment in capital assets, net of accumulated depreciation as of June 30, 2014, was \$2,637. See Note 5 of the notes to the financial statements for additional information about changes in capital assets during the current year.

**ADDITIONAL INFORMATION**

During the year ended June 30, 2014, 1,499 new cases were handled by the Twenty-Ninth Judicial District Public Defender Fund. Of these, there were 602 felonies, 413 misdemeanors, 137 traffic cases, 244 juvenile cases, 70 revocations, 32 drug cases, 1 other case and no capital cases.

**CONTACTING THE DISTRICT PUBLIC DEFENDER FUND'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District Public Defender Fund's finances, comply with finance-related laws and regulations, and demonstrate the District Public Defender Fund's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Victor E. Bradley, Jr., Chief, Twenty-Ninth Judicial District Public Defender Fund, P. O. Box 188, Norco, Louisiana 70079-0188. Phone - (985) 764-2338.

## GOVERNMENT - WIDE FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Net Position  
Year Ended June 30, 2014

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 1,095,737
Receivables from other governments	<u>1,411</u>
Total current assets	1,097,148
Non-current Assets	
Capital assets, net of depreciation of \$35,524	2,637
<u>Total assets</u>	<u>1,099,785</u>
<b>Liabilities</b>	
Current Liabilities	
Taxes payable	5,369
Accounts payable	<u>8,242</u>
<u>Total liabilities</u>	<u>13,611</u>
<b>Net Position</b>	
Invested in capital assets	2,637
Unrestricted	<u>1,083,537</u>
<u>Total net position</u>	\$ <u>1,086,174</u>

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

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Activities  
Year Ended June 30, 2014

<b>Functions and Programs</b>	Program Revenues			Net (Expense) Revenue and Changes in <u>Net Position</u>
	<u>Expenses</u>	<u>Fees and Fines</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities				
Judicial	\$( <u>1,099,335</u> )	<u>1,348,544</u>	<u>2,798</u>	\$ <u>252,007</u>
<u>Total governmental activities</u>	( <u>1,099,335</u> )	<u>1,348,544</u>	<u>2,798</u>	<u>252,007</u>
General Revenues				
Interest				<u>3,037</u>
Total general revenues				<u>3,037</u>
Change in net position				255,044
Net position - beginning of year				<u>831,130</u>
Net position - end of year				\$ <u>1,086,174</u>

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

## FUND FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Balance Sheet  
Governmental Funds  
June 30, 2014

	<u>General Fund</u>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 1,095,737
Receivables from other governments	<u>1,411</u>
<u>Total assets</u>	<u>\$ 1,097,148</u>
<b>Liabilities</b>	
Taxes payable	5,369
Accounts payable	<u>8,242</u>
<u>Total liabilities</u>	<u>13,611</u>
<b>Fund Balances</b>	
Unassigned, reported in general fund	<u>1,083,537</u>
<u>Total liabilities and fund balances</u>	<u>\$1,097,148</u>

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

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

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

Total fund balance of the governmental fund at June 30, 2014	\$1,083,537
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>2,637</u>
<u>Net position of governmental activities at June 30, 2014</u>	<u>\$1,086,174</u>

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



TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
Year Ended June 30, 2014

	General Fund
<b>REVENUES</b>	
Court fines and forfeitures	\$ 1,348,544
Other income	2,798
Interest earnings	<u>3,037</u>
<b>TOTAL REVENUES</b>	<u>1,354,379</u>
<b>EXPENDITURES</b>	
Contract attorneys	530,555
Capital case compensation	19,764
Conflict representation	7,080
Administrative and audit fees	106,440
Juvenile/Misdemeanor attorney's compensation	196,489
Office and other expenses	220,235
Seminar/Travel expenses	<u>16,479</u>
<b>TOTAL EXPENDITURES</b>	<u>1,097,042</u>
EXCESS OF REVENUES OVER EXPENDITURES	257,337
FUND BALANCE AT BEGINNING OF YEAR	<u>826,200</u>
FUND BALANCE AT END OF YEAR	\$ <u>1,083,537</u>

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

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balance to Government-Wide Statement of Activities  
Year Ended June 30, 2014

Total Net Change in Fund Balance at June 30, 2014 per Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds	\$ 257,337
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Amounts reported for the governmental activities in the Government-Wide Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	<u>(2,293)</u>
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<u>Total change in net position of governmental activities</u>	<u>\$ 255,044</u>
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The accompanying notes are an integral part of these basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements

Introduction

The Twenty-Ninth Judicial District Public Defender Fund is established in compliance with Louisiana Revised Statutes 15:141-184 to provide and compensate counsel appointed to represent indigents in criminal cases on the district court level.

As provided by Act 21 of 1982, Louisiana Revised Statutes 13:477(29) and 13:477(40), the electors of the Twenty-Ninth Judicial District Public Defender Fund, being the parishes of St. Charles and St. John the Baptist, approved the division of the Twenty-Ninth Judicial District Public Defender Fund, effective January 21, 1985, by the establishment of the Fortieth Judicial District Public Defender Fund to be composed of St. John the Baptist Parish, with the Twenty-Ninth Judicial District Public Defender Fund to continue and be composed of St. Charles Parish.

ACT 307 of 2007 enacted the "Louisiana Public Defender Act" which established the Louisiana Public Defender Board (formally the Indigent Defender Assistance Board). The Act provided for the transfer of the powers, duties, and authority of the board, for the establishment of public defender service regions, the designations for regional directors, and the creation of the Louisiana Public Defender Fund.

1) Summary of Significant Accounting Policies

A.) Reporting Entity

For financial reporting purposes, the Twenty - Ninth Judicial District Public Defender Fund is considered its own separate financial reporting entity. All funds, activities, etc... controlled by the fund as an independently established entity are included as a part of this financial reporting body. There are no other component units. The members of the Twenty - Ninth Judicial District Public Defender Fund are solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and the receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the Twenty - Ninth Judicial District Public Defender Fund.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

B.) Basis of Presentation

The accompanying basic financial statements of the District Public Defender Fund 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*.

During the year ended June 30, 2014, the Twenty-Ninth Judicial District Public Defender Fund adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provided financial reporting guidance for deferred outflows of resources and deferred inflows of resources, and also redefined the residual of all other elements presented in a statement of financial position as net position.

Government-Wide Financial Statements (GWFS)

The District Public Defender Fund's basic financial statements include both government-wide (reporting the District Public Defender Fund as a whole) and fund financial statements (reporting the District Public Defender Fund's major funds). All of the District Public Defender Fund's judicial and administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District Public Defender Fund's net position is reported in two parts – invested in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the District Public Defender Fund's functions and activities (judicial). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

B.) Basis of Presentation – continued

Government-Wide Financial Statements (GWFS) - continued

The net costs (by function) are normally covered by general revenue (interest earned, etc). The focus of these government-wide statements is more on the sustainability of the District Public Defender Fund as an entity and the change in the District Public Defender Fund's net position resulting from the current period's activities.

Fund Financial Statements (FFS)

The District Public Defender Fund uses funds to maintain it's financial records during the period. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The District Public Defender Fund encompasses only Governmental Funds, which are described below.

Governmental

General Fund - The General Fund of the District Public Defender Fund is used to account for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended in accordance with state and federal laws and according to the District Public Defender Fund's policy.

C.) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

C.) Measurement Focus/Basis of Accounting - continued

Governmental Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Public Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Fund Balance

During the fiscal year ended June 30, 2014, the District Public Defender Fund implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

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

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

C.) Measurement Focus/Basis of Accounting - continued

Fund Balance - continued

- e. Unassigned – all other spendable amounts.

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

Net Position

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following 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 less liabilities (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenues

Fees are recorded in the month in which they are collected by the Sheriff of St. Charles Parish.



TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

C.) Measurement Focus/Basis of Accounting - continued

Revenues - continued

Federal and State grant revenue is recognized when program expenditures are incurred in accordance with program guidelines.

Interest earnings on time deposits are recorded in the year in which they are earned.

Expenditures

The District Public Defender Fund's primary expenditures are recorded when the liabilities are incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D.) Budgetary Information

The District Public Defender Fund directs the preparation of a proposed budget and submits it to the Louisiana Public Defender Board for approval by a specified date. Annually, the District Public Defender Fund adopts a budget for the General Fund on the modified accrual basis of accounting. Amounts are available for expenditures only to the extent included within the budget. All appropriations lapse at year-end.

E.) Cash and Cash Equivalents

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

F.) Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District Public Defender Fund's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

G.) Capital Assets

In the government-wide financial statements, capital assets purchased or acquired are recorded at either historical cost or estimated historical cost, and depreciated over their estimated useful lives (excluding salvage value). Contributed assets are recorded at fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight-line depreciation is used based on the following estimated useful lives:

- Furniture and fixtures 7 years
- Computer equipment 5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the fund upon acquisition.

H.) Estimates

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

(2) Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District Public Defender Fund's deposits might not be recovered. The District Public Defender Fund's deposit policy for custodial credit risk conforms to state law as described in Note 1 to the financial statements.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District Public Defender Fund's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(2) Deposits – continued

At June 30, 2014, the District Public Defender Fund had cash totaling \$1,094,871 (book balances) invested in demand deposit accounts at various local banks. Additionally, the District Public Defender Fund had cash totaling \$866 in the Louisiana Asset Management Pool (LAMP) as explained in Note 3 below. 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 of deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2014, the District Public Defender Fund had \$1,164,106 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent.

(3) Investments and Fair Value Measurement

The Organization applies GAAP for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair market hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs are inputs (other than quoted prices in Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available).

During the year ended June 30, 2014, the Organization invested \$1,080,212 in LAMP (Louisiana Asset Management Pool) and certificates of deposit as discussed below.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(3) Investments and Fair Value Measurement - continued

The amortized cost and fair values measured on a recurring basis of investments as of June 30, 2014 are as follows:

<u>Level 2 Cost Basis</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Louisiana Asset Management Pool	\$ 866	\$ 866	\$ -0-
Financial Institutions	<u>1,079,346</u>	<u>1,079,346</u>	<u>-0-</u>
	<u>\$1,080,212</u>	<u>\$1,080,212</u>	<u>\$ -0-</u>

In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in a risk category because the investment is in a pool of funds managed by another government. Only political subdivisions having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The fair value of investments as based on quoted market rates is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the pool shares. Since all investments are short-term, highly liquid securities, the pool sponsor has not obtained any legally binding guarantees during the period to support the value of shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. For purposes of determining participants' shares, investments are valued at amortized cost.

(4) Receivables From Other Governments

Accrued receivables consist of amounts owed for fees at the end of the current period, but not remitted until the subsequent period. No allowance for doubtful accounts is provided as management considers all accrued receivables to be collectible.

**REQUIRED SUPPLEMENTAL INFORMATION**

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(5) Capital Assets

Capital assets and depreciation activity for the governmental activities as of and for the twelve month period ended June 30, 2014 are as follows:

	Balance <u>06-30-13</u>	Additions	Deletions	Balance <u>06-30-14</u>
Furniture, Fixtures and Equipment	\$ 38,161	\$ -0-	\$ -0-	\$ 38,161
Less: Accumulated Depreciation	<u>33,231</u>	<u>(2,293)</u>	<u>-0-</u>	<u>(35,524)</u>
<b>CAPITAL ASSETS, NET</b>	<b>\$ <u>4,930</u></b>	<b>\$ <u>(2,293)</u></b>	<b>\$ <u>-0-</u></b>	<b>\$ <u>2,637</u></b>

(6) Annual and Sick Leave

The District Public Defender Fund employs five employees, and has not adopted a formal vacation and sick leave policy.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

(7) Leases

The District Public Defender Fund did not have any capital or operating lease commitments as of and for the year ended June 30, 2014.

(8) Litigation and Claims

The District Public Defender Fund is not involved in any litigation and is not aware of any claims outstanding that are not recorded in the financial statements.

(9) Governmental Fund Revenues and Expenditures

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

**Revenue:**

<b>State Government</b>	
Appropriations – special	\$ -0-
<b>Local Government</b>	
Statutory fines, forfeitures, fees, court cost, and other	1,348,544
<b>Investment Earnings</b>	3,037
<b>Other Income</b>	<u>2,798</u>
<b>Total Revenues</b>	<b>\$ <u>1,354,379</u></b>

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(9) Governmental Fund Revenues and Expenditures - continued

**Expenditures:**

<b>Personnel Services and Benefits</b>	
Other	\$ -0-
<b>Professional Development</b>	
Dues, licenses, and registrations	16,479
<b>Operating Costs</b>	
Contract services – attorney/legal	701,325
Contract services – other	339,672
Supplies	39,566
<b>Capital outlays</b>	<u>-0-</u>
Total Expenditures	\$ <u>1,097,042</u>
Excess of Revenue over Expenditures	\$ <u>257,337</u>

(10) Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, December 10, 2014, 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.

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
Year Ended June 30, 2014

<b>REVENUES</b>	Budgeted Amounts		<u>Actual</u>	Variance Favorable (Unfavorable)
	Original	Final		
Court costs on fines and forfeitures	\$ 1,168,000	\$ 1,299,000	\$ 1,348,544	\$ 49,544
Other income	4,400	6,665	2,798	(3,867)
Interest earnings	<u>1,650</u>	<u>3,800</u>	<u>3,037</u>	<u>(763)</u>
<b>TOTAL REVENUES</b>	<u>1,174,050</u>	<u>1,309,465</u>	<u>1,354,379</u>	<u>44,914</u>
 <b>EXPENDITURES</b>				
Administrative and audit fees	106,610	107,000	106,440	(560)
Contract attorneys	523,780	532,000	530,555	(1,445)
Investigators and expert fees	85,600	77,000	76,509	(491)
Office and other expenses	148,561	155,600	160,205	4,605
Juvenile-Attorney's compensation	189,320	196,500	196,489	(11)
Capital expenditures	5,000	-0-	-0-	-0-
Capital cases compensation	150,000	26,000	19,764	(6,236)
Conflict representation	<u>-0-</u>	<u>10,000</u>	<u>7,080</u>	<u>(2,920)</u>
<b>TOTAL EXPENDITURES</b>	<u>1,208,871</u>	<u>1,104,100</u>	<u>1,097,042</u>	<u>(7,058)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(34,821)	205,365	257,337	51,972
FUND BALANCE AT BEGINNING OF YEAR	<u>826,200</u>	<u>826,200</u>	<u>826,200</u>	<u>-0-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 791,379</u>	<u>\$ 1,031,565</u>	<u>\$ 1,083,537</u>	<u>\$ 51,972</u>



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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

To The District Public Defender  
Twenty-Ninth Judicial District  
Public Defender Fund  
Hahnville, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Twenty-Ninth Judicial District Public Defender Fund as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise these basic financial statements, and have issued our report thereon dated December 10, 2014.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Twenty-Ninth Judicial District Public Defender Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Ninth Judicial District Public Defender Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Ninth Judicial District Public Defender Fund'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 than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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. We did identify a deficiency in internal control that we consider to be a material weakness. This deficiency is described in the accompanying schedule of current and prior year audit findings and corrective action plan. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Twenty-Ninth Judicial District Public Defender Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Response to Findings**

The Twenty-Ninth Judicial District Public Defender Fund's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The Twenty-Ninth Judicial District Public Defender Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the enclosed Independent Auditor's Report in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Harvey, Louisiana  
December 10, 2014

## OTHER SUPPLEMENTAL INFORMATION

TWENTY - NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Twenty-Ninth Judicial District Public Defender Fund.
2. A material weakness relating to the audit of the financial statements is reported in the 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. The material weakness results from a lack of adequate segregation of duties within the Accounting Department of the Twenty-Ninth Judicial District Public Defender Fund. No corrective action is planned regarding this material weakness, as the cost-benefit and limited number of personnel in the Accounting Department do not allow for adequate segregation of duties.
3. No instances of noncompliance material to the financial statements of the Twenty-Ninth Judicial District Public Defender Fund are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

See next page.

TWENTY-NINTH JUDICIAL DISTRICT  
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2014

<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT PERIOD (6/30/14)						
<u>Internal Control:</u>						
14-01	Unknown	The District Public Defender Fund does not have adequate segregation of duties within the Accounting Department	N/A	None. Because of the cost - benefit and limited number of personnel in the Accounting Department, it is not possible to achieve adequate segregation of duties.	Victor E. Bradley Jr., Chief	N/A
PRIOR PERIOD (6/30/13)						
<u>Internal Control:</u>						
13-01	Unknown	The District Public Defender Fund does not have adequate segregation of duties within the Accounting Department	N/A	None. Same as above	Victor E. Bradley Jr., Chief	N/A