

Second Judicial District Indigent Defender Fund

Jonesboro, Louisiana

Annual Financial Statements

As of and For the Year Ended

June 30, 2014

With Supplemental Information Schedules

KENNETH D. FOLDEN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

302 EIGHTH STREET
JONESBORO, LA 71251
(318) 259-7316
FAX (318) 259-7315

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As of and For the Year Ended June 30, 2014
With Supplemental Information Schedules

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Kenneth D. Folden & Co.

Kenneth D. Folden, CPA
Members
Society of Louisiana
Certified Public Accountants
email: kfolden@foldencpa.com

Certified Public Accountants
302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Ted W. Sanderlin, CPA
Members
American Institute of
Certified Public Accountants
email: tsanderlin@foldencpa.com

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

District Public Defender
Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Second Judicial District Indigent Defender Fund as of and for the year ended June 30, 2014, which collectively comprise the Fund's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Second Judicial District Indigent Defender Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Second Judicial District Indigent Defender Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3 through 4 and page 23 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 the financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us, and we do not express an opinion or provide any assurance on it.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated December 8, 2014 on the results of our agreed-upon procedures.

Kenneth D. Folden & Co., CPAs

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
December 8, 2014

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Management's Discussion and Analysis
As of and For the Year Ended June 30, 2014

The Management's Discussion and Analysis is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. Certain comparative information is presented to provide an overview of the Second Judicial District Indigent Defender Fund's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Second Judicial District Indigent Defender Fund as a whole and present a longer-term view of the Second Judicial District Indigent Defender Fund's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Second Judicial District Indigent Defender Fund maintains only one fund, the General Fund, through which all of its operations are conducted.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	2014	2013
ASSETS:		
Assets	\$ 86,513	\$ 72,142
Capital assets, net	-	4,469
Total Assets	<u>\$ 86,513</u>	<u>\$ 76,611</u>
LIABILITIES:		
Payables	\$ -	\$ 646
Total Liabilities	<u>\$ -</u>	<u>\$ 646</u>
NET POSITION:		
Investment in capital assets (net)	\$ -	\$ 4,469
Unrestricted	86,513	71,496
Total Net Position	<u>\$ 86,513</u>	<u>\$ 75,965</u>

Summary of Statement of Activities

	2014	2013
REVENUES:		
General Revenues:		
Court Costs, Fines, and Forfeitures	\$ 165,218	\$ 168,430
Fees from Indigents	12,759	8,864
Appearance Bond Rebates and Bond Premium Fees	37,082	34,947
Grant Income	175,241	100,880
Interest Income	290	678
Miscellaneous Income	2,200	4,643
Total Revenues	392,790	318,442
EXPENSES:		
Indigent Board	382,242	461,830
Total Expenses	382,242	461,830
Change in Net Position	\$ 10,548	\$ (143,388)

- The Second Judicial District Indigent Defender Fund's assets exceeded its liabilities by \$86,513 (net position) for the year. This is an increase of \$10,548 from the prior period.
- Unrestricted net position of \$86,513 represents the portion available to maintain the Second Judicial District Indigent Defender Fund's obligation to both citizens and creditors.

General Fund Budgetary Highlights

Revenues continue to be sufficient to enable the Second Judicial District Indigent Defender Fund to provide legal counsel to indigents in the Second Judicial District.

Economic Factors and Next Year's Budget

The Second Judicial District Indigent Defender Fund considered many factors when setting the budget for the next fiscal year. Anticipated revenues, except grant income, should increase slightly, expenditures should remain constant for the upcoming period. A decrease in grant income is expected. The Fund will continue to operate at the current condition for the year end June 30, 2015.

Contacting the District Indigent Defender Fund

This financial report is designed to provide our citizens and creditors with a general overview of the Second Judicial District Indigent Defender Fund's finances and to show the Second Judicial District Indigent Defender Fund's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to District Indigent Defender Clay Carroll, 525 E. Court Street, Jonesboro, Louisiana 71251.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Statement of Net Position
As of June 30, 2014

		Governmental Activities
ASSETS		
Current Assets:		
Cash and equivalents	\$	71,387
Accounts receivable		15,126
TOTAL CURRENT ASSETS		86,513
Non-Current Assets:		
Capital assets (net of accumulated depreciation)		-
TOTAL ASSETS	\$	86,513
LIABILITIES		
Current Liabilities:		
Accounts payable	\$	-
TOTAL LIABILITIES		-
NET POSITION		
Investment in capital assets, net of related debt		-
Unrestricted		86,513
TOTAL NET POSITION	\$	86,513

See independent accountant's review report.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Statement of Activities
For the Year Ended June 30, 2014

EXPENSES	MAJOR FUNDS			Net (Expense) Revenue and Changes in Net Position	
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Governmental Activities	
Primary government:					
Governmental activities:					
General government	\$ 382,242	\$ -	\$ 175,241	\$ -	\$ (207,001)
Total governmental activities	<u>\$ 382,242</u>	<u>\$ -</u>	<u>\$ 175,241</u>	<u>\$ -</u>	<u>\$ (207,001)</u>

GENERAL REVENUES

Court costs, fines, and forfeitures	165,218
Fees from indigents	12,759
Appearance bond rebates and bond premium fees	37,082
Interest	290
Miscellaneous	2,200
Total general revenues	<u>217,549</u>
Change in net position	10,548
Net position - June 30, 2013	75,965
Net position - June 30, 2014	<u>\$ 86,513</u>

See independent accountant's review report.

FUND FINANCIAL STATEMENTS

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Balance Sheet - Governmental Funds
As of June 30, 2014

	General Fund
ASSETS	
Cash and equivalents	\$ 71,387
Receivables, net	<u>15,126</u>
TOTAL ASSETS	<u>\$ 86,513</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>
 Fund Balances:	
Unassigned	<u>\$ 86,513</u>
TOTAL FUND BALANCE	<u>86,513</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 86,513</u>

Statement D

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

Total Fund Balances of General Fund at June 30, 2014	\$ 86,513
Total Net Position reported for Governmental Activities in the Statement of Net Position (Statement A) are different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the governmental fund	<u>-</u>
Net Position of governmental activities at June 30, 2014	<u>\$ 86,513</u>

See independent accountant's review report.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

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

	General Fund
REVENUES	
Court costs, fines, forfeitures	\$ 165,218
Fees from indigents	12,759
Appearance bond rebates and bond premium fees	37,082
Grants	175,241
Interest income	290
Miscellaneous income	<u>2,200</u>
TOTAL REVENUES	<u>392,790</u>
EXPENDITURES	
Contracted legal services	338,258
Contracted capital defense and experts	400
Office and research	7,927
Insurance	13,000
Professional services	11,850
Seminars, travel, maintenance	<u>6,339</u>
TOTAL EXPENDITURES	<u>377,773</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>15,017</u>
NET CHANGES IN FUND BALANCES	15,017
FUND BALANCES - June 30, 2013	<u>71,496</u>
FUND BALANCES - June 30, 2014	<u>\$ 86,513</u>

See independent accountant's review report.

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2014

Total net change in fund balances - governmental funds (Statement E)	\$	15,017
Amount reported for governmental activities in the Statement of Activities (Statement B) are different because:		
Capital outlays are reported in the governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the period.		
Capital outlay		-
Depreciation expense		<u>(4,469)</u>
Change in net position of governmental activities (Statement B)	\$	<u>10,548</u>

See independent accountant's review report.

**NOTES TO THE
FINANCIAL STATEMENTS**

Notes to the Financial Statements
As of and For the Year Ended June 30, 2014

1. Introduction

The Second Judicial District Indigent Defender Fund is established in compliance with Louisiana Revised Statutes 15:141-184, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parishes of Bienville, Claiborne and Jackson, Louisiana. The District Indigent Defender manages and supervises the public defender services provided within the Second Judicial District of Louisiana. The District Indigent Defender is responsible for complying with the statutory requirements of Louisiana Revised Statute 15:161 in the performance of the duties of the District Public Defender, and in the operations of the Fund.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements of the Fund 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.

b. The Reporting Entity

As the governing authority of the District, for reporting purposes, the Bienville, Claiborne, and Jackson Parish Police Juries, are the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (police juries), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be included within the reporting entity for financial reporting purposes. Governmental Accounting Standards Board Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority or an organization's governing body, and
 - i. The ability of the police juries to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police juries.
2. Organizations for which the police juries does not appoint a voting majority but are fiscally dependent on the police juries and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the police juries regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, the Second Judicial District Indigent Defender Fund is not a component unit of any other reporting entity, nor does the Fund have any component units that are to be reported in the Fund's financial statements.

c. Government-Wide Financial Statements

The Fund's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of the Governmental Activities for the Fund. Fiduciary activities of the Fund are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Fund's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Fund's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

d. Fund Financial Statements

The accounts of the Fund are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

Governmental Fund

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Fund has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due and claim and judgements and compensated absences recorded as expenditures when paid with expendable available financial resources.

General Fund

The General Fund is the general operating fund of the Fund. It is used to account for all financial resources except those required to be accounted for in another fund.

e. Equity Classifications

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

Investment in capital assets, net of related debt: This classification 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 these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Fund is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Fund did not have any nonspendable funds for the year ended June 30, 2014.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Fund did not have any restricted funds for the year ended June 30, 2014.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the governing board. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Fund did not have any committed funds for the year ended June 30, 2014.

Assigned: This classification includes amounts that are constrained by the Fund's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Public Defender through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Fund has no assigned funds for year ended June 30, 2014.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. All general funds of the Fund are designated as unassigned.

The Fund would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

f. Budgetary Practices

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Fund adopts an annual operating budget for the general fund. The budget was made available for public inspection at the time of adoption. Budgetary data for the general fund is prepared based on prior year actual operating revenues and expenditures. The general fund is maintained on the modified accrual basis and therefore no reconciliations between legally enacted basis and GAAP basis is required.

g. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and savings accounts. Under state law, the Second Judicial District Indigent Defender Fund may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

h. Investments

Under state law, the Second Judicial District Indigent Defender Fund may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. Investments are stated at cost.

i. Capital Assets

Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fund maintains a threshold level of \$500 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

Furniture, computers	5 years
Vehicles	7 years

j. Compensated Absences

The Second Judicial District Indigent Defender Fund does not have any employees; therefore, there are no accumulated and vested benefits relating to vacation and sick leave.

k. 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.

3. Cash and Cash Equivalents

At June 30, 2014, the Fund has \$71,387 in deposits (collected bank balances). All cash is deposited in interest bearing accounts. 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 in the form of safekeeping receipts held by the Fund. The deposits at June 30, 2014, were secured as follows:

Demand Deposits	\$	71,387
Certificate of Deposit		<u>-</u>
Total	\$	<u>71,387</u>
FDIC Insurance	\$	<u>71,387</u>
Total	\$	<u>71,387</u>

Cash and investments are categorized below to give an indication of the level of risk assumed by the Fund at June 30, 2014. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Second Judicial District Indigent Defender Fund has cash and cash equivalents that are covered by \$71,387 of federal depository insurance.

4. Receivables

The receivables of \$15,126 at June 30, 2014 are as follows:

	Bienville Parish	Claiborne Parish	Jackson Parish	Total
2% Bond Premium	\$ 883	\$ 603	\$ 530	\$ 2,015
Court Costs	8,408	3,363	800	12,570
Restitution Payments	500	-	-	500
Application Fee	-	-	40	40
Total	<u>\$ 9,790</u>	<u>\$ 3,965</u>	<u>\$ 1,370</u>	<u>\$ 15,126</u>

5. Capital Assets

The following is a summary of capital asset balances and activity for the year ended June 30, 2014:

Governmental Activities	Balance		Balance	
	June 30, 2013	Additions	Deletions	June 30, 2014
Capital Assets Depreciated:				
Furniture, computers	\$ 23,190	\$ -	\$ -	\$ 23,190
Vehicle	19,823	-	-	19,823
Total Assets	<u>43,013</u>	<u>-</u>	<u>-</u>	<u>43,013</u>
Less Accumulated Depreciation:				
Furniture, computers	22,686	504	-	23,190
Vehicle	15,859	3,965	-	19,823
Total Depreciation	<u>38,545</u>	<u>4,469</u>	<u>-</u>	<u>43,013</u>
Net Capital Assets	<u>\$ 4,469</u>	<u>\$ (4,469)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the current year is \$4,469, charged to the general government.

6. Long-Term Obligations

The Fund has no long-term obligations.

7. Litigation and Claims

Management advised that the Fund is not involved in any legal action which would have a negative impact on the Fund.

8. Retirement and Pension Commitments

The Second Judicial District Indigent Defender Fund has no employees; therefore, the Fund does not participate in any retirement or pension plans. The Fund has no retirement or pension commitments.

9. Governmental Fund Revenues and Expenditures

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

Revenues	
State Government	
Grants	\$ 175,241
Total	<u>175,241</u>
Local Government	
Statutory fines, forfeitures, fees, court costs, and other	54,441
Criminal court fund	162,818
Total	<u>217,259</u>
Investment Earnings	290
Total Revenues	<u>\$ 392,790</u>
Expenditures	
Operating Cost	
Library and research	\$ 7,303
Contract services - attorney/legal	329,162
Contract services - other	20,152
Insurance	13,000
Other	8,156
Total	<u>377,773</u>
Capital Outlay	-
Total Expenditures	<u>\$ 377,773</u>

10. Impact of Recently Issued Accounting Principles

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The objective of this Statement is to improve the usefulness of pension information in the general purpose financial reports of state and local governmental pension plans. This Statement replaces the requirements of Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts that meet certain criteria. GASB issued Statement 68, *Accounting for Financial Reporting for Pensions*, at the same time; in addition, GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB Statement No. 68*, is effective when GASB 68 is implemented. These three Statements are closely related and reference one another. Statement 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement 67, as well as for non-employer governments that have a legal obligation to contribute to those plans. GASB 71 amend paragraph 138 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB 67 provisions do not impact the Fund's current financial statements. GASB 68 and GASB 71 provisions are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement 69, issued in January of 2013, titled *Government Combinations and Disposals of Government Operations*, establishes accounting and financial standards related to government combinations and disposals of government operations. Government combinations include transactions often referred to as mergers, acquisitions, and transfers of operations. This Statement requires different valuations of assets and liabilities based upon the type of combination. GASB 69 requires disclosures to be made that enables financial statement users to evaluate the nature and financial effects of those transactions. This Statement is in effect for reporting periods beginning after December 15, 2013. The Fund's current financial statements are not impacted by this Statement.

GASB issued GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, in April of 2013, to be effective for reporting periods beginning after June 15, 2013. For governments who extend and receive nonexchange financial guarantees, GASB 70 intends to improve accounting and financial reporting. This Statement requires that a government that engages in nonexchange financial transactions recognize liabilities for such transactions, and the Statement specifies the information to be disclosed by governments. Except for disclosures related to cumulative amounts paid or received in relation to nonexchange financial guarantee, the provisions of this statement are to be applied retroactively. GASB 70 does not have an impact on the Fund's current financial statements.

11. Subsequent Events

Management has evaluated subsequent events through December 8, 2014, the date which the financial statements were available to be issued, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2014

	Budget - Original	Actual	Variance Favorable (Unfavorable)
REVENUES			
Court costs, fines, forfeitures	\$ 190,000	\$ 165,218	\$ (24,782)
Fees from indigents	17,500	12,759	(4,741)
Appearance bond rebates and bond premium fees	51,700	37,082	(14,619)
Grants	100,880	175,241	74,361
Interest income	500	290	(210)
Miscellaneous income	-	2,200	2,200
TOTAL REVENUES	<u>360,580</u>	<u>392,790</u>	<u>32,210</u>
EXPENDITURES			
Contracted legal services	382,000	338,258	43,742
Contracted capital defense and experts	500	400	100
Office and research	8,950	7,927	1,023
Insurance	13,000	13,000	-
Professional services	4,500	11,850	(7,350)
Seminars, travel, maintenance	13,000	6,339	6,661
TOTAL EXPENDITURES	<u>421,950</u>	<u>377,773</u>	<u>44,177</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>(61,370)</u>	<u>15,017</u>	<u>76,387</u>
NET CHANGES IN FUND BALANCES	<u>(61,370)</u>	<u>15,017</u>	<u>76,387</u>
FUND BALANCES - June 30, 2013	<u>71,496</u>	<u>71,496</u>	<u>-</u>
FUND BALANCES - June 30, 2014	<u>\$ 10,126</u>	<u>\$ 86,513</u>	<u>\$ 76,387</u>

See independent accountant's review report.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA
Members
Society of Louisiana
Certified Public Accountants
email: kfolden@foldencpa.com

Certified Public Accountants
302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Ted W. Sanderlin, CPA
Members
American Institute of
Certified Public Accountants
email: tsanderlin@foldencpa.com

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Second Judicial District Indigent Defender Fund
Jonesboro, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Second Judicial District Indigent Defender Fund and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Second Judicial District Indigent Defender Fund's compliance with certain laws and regulations during the year ended June 30, 2014, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$30,000 or for public works exceeding \$150,000.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of the Second Judicial District Indigent Defender Fund as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all fund members and employees, as well as their immediate families.

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

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

The Fund has no employees so no listing is required.

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

The Second Judicial District Indigent Defender Fund has no employees so no one appears on the list provided by management in agreed-upon procedure (2).

BUDGETING

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

Management provided us with a copy of the original budget.

6. Trace the budget adoption to the minute book.

Due to the reformation of the Second Judicial District Indigent Defender Fund, no board exists, so there were no minutes to be kept.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

The actual revenues and actual expenses for the year were compared to the budgeted revenues and budgeted expenses. Actual revenues were more than budgeted revenues. Actual expenses were less than budgeted expenses.

ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee:

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

- (b) Determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

- (c) Determine whether payments received approval from proper authorities:

Inspection of documentation supporting each of the 6 selected disbursements indicated adequate approvals.

MEETINGS

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

Due to the reformation of the Second Judicial District Indigent Defender Fund, no board exists, so there were no minutes to be kept.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

ADVANCES AND BONUSES

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

The Fund has no employees; consequently, there were no noted instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

PRIOR COMMENTS OR RECOMMENDATIONS

Our prior report, dated June 30, 2013, did not include any comments or unresolved matters.

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

This report is intended solely for the use of management of the Second Judicial District Indigent Defender Fund of Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditors as a public document.

Kenneth D. Folden & Co., CPAs

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
December 8, 2014

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

June 20, 2014

Kenneth D. Falden & Co., CPAs
302 Eighth Street
Jonesboro, Louisiana 71251

In connection with your review of our financial statements as of June 30, 2014 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 11/20/14 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

It is true that no member of the immediate family of any member of the governing authority or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1990, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 38:1301-16), R.S. 39:33, or the budget requirements of R.S. 38:1331-1342, as applicable.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:38.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:483 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.55.

Yes No

Advances and Bonuses

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

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.



Chief Indigent Defender

11/20/14

Date