

**16<sup>TH</sup> JUDICIAL DISTRICT  
PUBLIC DEFENDERS' OFFICE**

**FINANCIAL REPORT**

**June 30, 2015**

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C. Burton Kolder, CPA\*  
Russell F. Champagne, CPA\*  
Victor R. Slaven, CPA\*  
Gerald A. Thibodeaux, Jr., CPA\*  
Robert S. Carter, CPA\*  
Arthur R. Mixon, CPA\*  
Brad E. Kolder, CPA, JD\*  
Stephen J. Anderson, CPA\*  
Penny Angelle Scroggins, CPA  
Christine C. Doucet, CPA  
Wanda F. Arcement, CPA, CVA  
Bryan K. Joubert, CPA  
Matthew E. Margaglio, CPA

Casey L. Ardoin, CPA  
Allen J. LaBry, CPA  
Albert R. Leger, CPA, PFS, CSA\*  
Marshall W. Guidry, CPA  
Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®\*  
James R. Roy, CPA  
Robert J. Metz, CPA  
Alan M. Taylor, CPA  
Kelly M. Doucet, CPA  
Mandy B. Self, CPA  
Paul L. Delcambre, Jr., CPA  
Jane R. Hebert, CPA  
Deirdre L. Stock, CPA  
Karen V. Fontenot, CPA

\* A Professional Accounting Corporation

183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bndge St  
Breaux Bndge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4568

1428 Metro Dnve  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT

To the District Public Defender of  
The 16<sup>th</sup> Judicial District  
Public Defenders' Office  
New Iberia, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund, of the 16<sup>th</sup> Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

New Iberia, Louisiana  
November 23, 2015

## **BASIC FINANCIAL STATEMENTS**

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin, and St. Mary

Statement of Net Position  
June 30, 2015

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 9,555
Due from other governments	96,730
Prepaid expenses	<u>9,941</u>
Total current assets	116,226
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>15,145</u>
Total assets	<u>131,371</u>
LIABILITIES	
Current liabilities:	
Accounts payable	4,703
Accrued liabilities	<u>16,655</u>
Total current liabilities	21,358
Noncurrent liabilities:	
Compensated absences	<u>36,738</u>
Total liabilities	<u>58,096</u>
NET POSITION	
Net investment in capital assets	15,145
Unrestricted	<u>58,130</u>
Total net position	<u>\$ 73,275</u>

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin, and St. Mary

Statement of Activities  
For the Year Ended June 30, 2015

Activities	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Change in Net Position
		Charges for Services and Fines	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 1,928,245</u>	<u>\$ 935,103</u>	<u>\$ 736,009</u>	(257,133)
General revenues:				
Interest income				<u>144</u>
Change in net position				(256,989)
Net position, beginning				<u>330,264</u>
Net position, ending				<u>\$ 73,275</u>

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



**FUND FINANCIAL STATEMENTS**

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin, and St. Mary  
Governmental Fund

Balance Sheet  
June 30, 2015

	<u>General Fund</u>
<b>Assets:</b>	
Cash and interest-bearing deposits	\$ 9,555
Due from other governments -	
Court costs and bond forfeits receivable	96,730
Prepaid expenses	<u>9,941</u>
Total assets	<u><u>\$ 116,226</u></u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 4,703
Payroll taxes payable	<u>16,655</u>
Total liabilities	<u>21,358</u>
<b>Fund balance:</b>	
Nonspendable - prepaid items	9,941
Unassigned	<u>84,927</u>
Total fund balance	<u>94,868</u>
Total liabilities and fund balance	<u><u>\$ 116,226</u></u>

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin, and St. Mary

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2015

Total fund balance for the governmental fund at June 30, 2015	\$ 94,868
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds. Those assets consist of:	
Furniture and equipment, net of \$131,738 accumulated depreciation	15,145
Long-term liabilities at June 30, 2015:	
Compensated absences	<u>(36,738)</u>
Net position at June 30, 2015	<u>\$ 73,275</u>

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin, and St. Mary  
Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
For the Year Ended June 30, 2015

	<u>General Fund</u>
Revenues:	
Charges for service -	
Partially indigent and application fees	\$ 114,121
Intergovernmental revenues -	
Court cost and bond forfeitures	1,014,960
District assistance fund - Louisiana IDAB	701,587
Local grant	34,422
Other	<u>144</u>
Total revenues	<u>1,865,234</u>
Expenditures:	
Current -	
Indigent defense:	
Operations	1,923,370
Capital outlay	<u>1,877</u>
Total expenditures	<u>1,925,247</u>
Net change in fund balance	(60,013)
Fund balance, beginning	<u>154,881</u>
Fund balance, ending	<u>\$ 94,868</u>

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin, and St. Mary

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2015

Net change in fund balance for the year ended June 30, 2015, per statement of revenues, expenditures and changes in fund balance			\$ (60,013)
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance.		\$ 1,877	
Depreciation expense for the year ended June 30, 2015		<u>(5,137)</u>	(3,260)
Fees earned but not collected and reported as deferred inflows of resources by the governmental fund are reported as revenue in the statement of activities			(193,978)
Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Compensated absences			<u>262</u>
Total changes in net position for the year ended June 30, 2015 per statement of activities			<u>\$ (256,989)</u>

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements

INTRODUCTION

The 16<sup>th</sup> Judicial District Public Defenders' Office (District) provides criminal defense to indigent persons in Louisiana's 16<sup>th</sup> Judicial District (Iberia, St. Martin and St. Mary Parishes). The function is accomplished by maintaining an administrative staff and contracting for legal and other defense experts.

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

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

The accompanying financial statements present information only on the Offices maintained by the 16<sup>th</sup> Judicial District Public Defenders' Office.

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

Governmental Fund –

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

C. Measurement Focus/Basis of Accounting

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

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

Revenues

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

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

Expenditures

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

D. Budgets

The District directs the preparation of a proposed budget and submits the budget to the Louisiana Public Defender Board for approval by a specified date. Annually, the District adopts a budget for the General Fund on a cash basis which is a non-GAAP budget basis.

The following is a reconciliation of the actual amounts as shown in the General Fund budgetary comparison schedule (non-GAAP basis):

Net change in fund balance per General Fund budgetary comparison schedule (non-GAAP basis)	\$(31,310)
Less: Decrease in due from other governments from prior year for court cost and bond forfeiture revenues	(37,650)
Add: Increase in accounts payable and payroll related liabilities from prior year	<u>8,947</u>
Net change in fund balance per governmental fund statement of revenues, expenditures, and changes in fund balance	<u>\$(60,013)</u>

E. Cash and Interest-Bearing Deposits

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



16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

F. Capital Assets

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

Capital assets are recorded in the statement of net position and statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Assets Class</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	3 - 10 years

G. Compensated Absences

Employees of the District can earn up to 80 to 120 hours of vacation leave each year, depending on their length of service. Employees can carry over up to 40 hours of unused vacation leave per year which must be used within 12 months. A maximum of 120 hours of unearned vacation leave will be paid out upon separation of employment. Employees can earn 80 hours of sick leave per year and can carry over 40 hours of unused leave to the next year. Once an employee has accrued 120 hours of sick leave, the employee will stop accruing sick leave until the employee has less than 120 hours in their sick leave balance. Sick leave is not compensable if an employee leaves the service of the District. At June 30, 2015, the District has compensated absences in the amount of \$36,738.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2015.

I. Equity Classifications

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

J. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2015, the District has interest-bearing deposits (book balances) totaling \$9,555.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2015, are secured as follows:

Bank balances	<u>\$41,477</u>
Federal deposit insurance	<u>\$41,477</u>

At June 30, 2015, the District's bank balance was fully insured by federal deposit insurance and therefore was not exposed to custodial credit risk.

(3) Due From Other Governments

At June 30, 2015, the amounts due from other governmental agencies consist of the following:

Bond forfeitures	\$12,897
Court fees	72,710
District assistance fund	6,237
Partially indigent fees	4,886
	<u>\$96,730</u>

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	7/1/2014	Additions	Deletions	6/30/2015
Capital assets:				
Furniture and equipment	\$ 145,006	\$ 1,877	\$ -	\$ 146,883
Less: accumulated depreciation				
Furniture and equipment	126,601	5,137	-	131,738
Capital assets, net	\$ 18,405	\$ (3,260)	\$ -	\$ 15,145

Depreciation expense in the amount of \$5,137 was charged to general government.

(5) Changes in compensated absences

The following is a summary of compensated absences transactions for the year ended June 30, 2015:

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015
Compensated absences	\$ 37,000	\$26,763	\$27,025	\$ 36,738

(6) Operating Leases

The District leases various copiers commencing on December 4, 2013. Lease expense for the year ended June 30, 2015 totaled \$5,436. Future minimum lease payments due under the lease terms are as follows:

2016	\$ 5,436
2017	5,436
2018	5,436
2019	2,718
	\$ 19,026

(7) Risk Management

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

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

(8) Governmental Office Revenues and Expenditures

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

Revenues:

State government -	
Grants	\$ 701,587
Local government -	
Statutory fines, forfeitures, fees, court costs, and other	1,014,960
Other grants and contributions -	
District court	34,422
Charges for services	114,121
Investment earnings	144
Total revenues	<u>\$ 1,865,234</u>

Expenditures:

Personnel services and benefits -	
Salaries	\$ 1,052,654
Retirement contributions	26,053
Insurance	138,228
Payroll taxes	81,985
Total	<u>1,298,920</u>
Professional development -	
Dues, licenses, and registrations	<u>1,594</u>
Operating costs -	
Library and research	13,047
Contract services - attorney/legal	417,020
Contract services - other	37,497
Lease - office	47,178
Lease - autos and other	9,488
Travel - transportation	12,018
Insurance	11,622
Supplies	33,189
Repairs and maintenance	2,664
Utilities and telephone	33,800
Other	5,333
Total	<u>622,856</u>
Debt service	<u>-</u>
Capital outlay	<u>1,877</u>
Total expenditures	<u>\$ 1,925,247</u>

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Iberia, St. Martin and St. Mary

Notes to the Basic Financial Statements (Continued)

(9) Excess of Expenditures Over Appropriations

For the year ended June 30, 2015, the General Fund had actual expenditures over appropriations as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Indigent defense:			
Operations	\$ 1,899,594	\$ 1,932,317	\$(32,723)
Capital outlay	1,130	1,877	(747)

(10) Schedule of Compensation, Benefits and Other Payments to Agency Head

The schedule of compensation, benefits and other payments to the agency heads as of June 30, 2015 follows:

<u>Purpose</u>	<u>Michael Colwart July 2014 - December 2014</u>	<u>Anthony Champagne January 2015 - February 2015</u>	<u>Cecila Bonin March 2015 - June 2015</u>
Salary	\$ 36,485	\$ 10,000	\$ 44,452
Benefits - insurance	6,031	-	-
Benefits - retirement	1,272	-	-
Travel	3,523	-	-
Reimbursements	-	-	52

**REQUIRED SUPPLEMENTARY INFORMATION**

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
 Parishes of Iberia, St. Martin, and St. Mary  
 General Fund

Budgetary Comparison Schedule (Non-GAAP Basis)  
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Charges for service -				
Partially indigent and application fees	\$ 60,000	\$ 58,162	\$ 114,121	\$ 55,959
Intergovernmental revenues -				
Court cost and bond forfeitures	1,234,286	1,175,588	1,052,610	(122,978)
District assistance fund - Louisiana IDAB	635,809	722,229	701,587	(20,642)
Local grant	-	21,590	34,422	12,832
Other	150	144	144	-
Total revenues	1,930,245	1,977,713	1,902,884	(74,829)
Expenditures:				
Current -				
Indigent defense:				
Operations	1,913,789	1,899,594	1,932,317	(32,723)
Capital outlay -	12,000	1,130	1,877	(747)
Total expenditures	1,925,789	1,900,724	1,934,194	(33,470)
Net change in fund balance	4,456	76,989	(31,310)	(108,299)
Fund balance, beginning	154,881	154,881	154,881	-
Fund balance, ending	\$ 159,337	\$ 231,870	\$ 123,571	\$ (108,299)



**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## OFFICES

C Burton Kolder, CPA\*  
Russell F Champagne, CPA\*  
Victor R Slaven, CPA\*  
Gerald A Thibodeaux, Jr., CPA\*  
Robert S Carter, CPA\*  
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Jane R Hebert, CPA  
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183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
Phone (337) 367-9204  
Fax (337) 367-9208

113 East Bndge St  
Breaux Bndge, LA 70517  
Phone (337) 332-4020  
Fax (337) 332-2867

200 South Main Street  
Abbeville, LA 70510  
Phone (337) 893-7944  
Fax (337) 893-7946

1234 David Dr Ste 203  
Morgan City, LA 70380  
Phone (985) 384-2020  
Fax (985) 384-3020

1013 Main Street  
Franklin, LA 70538  
Phone (337) 828-0272  
Fax (337) 828-0290

434 East Main Street  
Ville Platte, LA 70586  
Phone (337) 363-2792  
Fax (337) 363-3049

133 East Waddil St  
Marksville LA 71351  
Phone (318) 253-9252  
Fax (318) 253-8681

332 West Sixth Avenue  
Oberlin, LA 70655  
Phone (337) 639-4737  
Fax (337) 639-4588

1428 Metro Dnve  
Alexandria, LA 71301  
Phone (318) 442-4421  
Fax (318) 442-9833

WEB SITE  
[WWW.KCSRCPAS.COM](http://WWW.KCSRCPAS.COM)

Retired  
Conrad O Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' 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 of  
The 16<sup>th</sup> Judicial District  
Public Defenders' Office  
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the 16<sup>th</sup> Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2015-001 and 2015-002 to be material weaknesses.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2015-003 to be a significant deficiency.

## **Compliance and Other Matters**

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

## **The District's Response to Findings**

The District's responses to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

New Iberia, Louisiana  
November 23, 2015

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
For the Year Ended June 30, 2015

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (6/30/15) --						
<u>Internal Control:</u>						
2015-001	2015	Due to the small number of employees involved in the accounting operations, the District does not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of functions.	N/A	No response is considered necessary.	N/A	N/A
2015-002	2015	The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.	N/A	The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the District to outsource this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	N/A	N/A

(continued)

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2015

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/15) --						
<u>Internal Control:</u>						
2015-003	2014	The District submits a monthly report to the Louisiana Public Defender Board on the District's monthly revenues, expenditures and cash on hand. During the review of the monthly reports submitted, it was determined that the cash on hand section was not being completed properly. Management should ensure all sections reflect the actual activity of the District.	No	The District reviewed the information included on the monthly report that is required to be submitted to the Louisiana Public Defender Board and developed procedures to capture and report the actual activity.	Cecilia Bonin, District Public Defender	10/31/2015
<u>Compliance:</u>						
There were no findings that were required to be reported.						
<u>Management letter:</u>						
2015-004	2015	During the fiscal year ended June 30, 2015, fund balance of the General Fund decreased by approximately \$60,000, resulting in an unassigned fund balance of approximately \$85,000. In order to achieve a sufficient fund balance reserve, the District should review its revenues and expenditures. Consideration should be given to obtaining additional funding sources and/or determining expenditure reductions where feasible.	No	The District will carefully review its revenues and expenditures in order to determine additional funding sources and expenditure reductions to replenish and maintain a adequate unassigned fund balance reserve.	Cecilia Bonin, District Public Defender	6/30/2016

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2015

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (6/30/14) --						
<u>Internal Control:</u>						
2014-001	2014	One of the internal control procedures utilized by the District's management requires that the District Public Defender approve cash expenditures prior to issuing a check. In a sample of 40 disbursements, seven were paid without proper prior authorization. However, the seven exceptions were not determined to be improper expenditures.	Yes	Purchasing and disbursement refers to the payment of our office bills. Three people are authorized to sign our office checks including the District Defender, with each check being signed by 2 of the 3 authorized signers. About 95% of the bills are signed by the District Defender who initials the bill to be paid signifying he has previewed and authorized the payment. Some disbursements did not have the District Defender's initials on them because the District Defender merely overlooked the placing of his initials or he was not available to sign for those bills. If the latter situation, the First Assistant Public Defender would have been charged with the duty of approving that cash expenditure and disbursement. Better attention to the correct procedure will be paid in the future.	Michael Colwart, District Public Defender	7/1/2014

(continued)

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2015

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
PRIOR YEAR (6/30/14) --						
<u>Compliance:</u>						
2014-002	2014	During the course of the audit, a sample of six employees and three contractors were selected for testing. Three of the six employees in the sample were administrative employees and three were attorneys. The three administrative employees did not have timesheets. The three attorneys had timesheets, two were signed by the employee and one was not signed by the employee. None of these three timesheets were approved by a supervisor. Of the three contractors, all three had timesheets but were not signed by the contractors nor a supervisor. Of the total sample selected, none were determined to be paid improperly.	Yes	The District Defender firmly believes that Section 2.6.2 of the District Defender contract refers to attorneys only, since the State District Defender has only provided timesheet formats for attorneys and not for support staff. However, the office will start using approved timesheets for all employees and contractors in early 2015. Also, attorney timesheets that are emailed are not signed but an electronic signature will be utilized in the future.	Michael Colwart, District Public Defender	7/1/2014
		In addition, no written annual performance review was prepared for any of the six employees or three contractors for the year ended June 30, 2014.	Yes	The District Defender was not provided with work performance forms by the State Public Defender and, as such, was unaware of the requirement to conduct such reviews. The District Defender has recently been provided with the proper forms and is in the process of conducting the required reviews.	Michael Colwart, District Public Defender	7/1/2014

(continued)

16<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2015

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
PRIOR YEAR (6/30/14) --						
<u>Compliance:</u>						
2014-002	2014	During inquiry and other audit procedures, it was determined nine employees who travel extensively are paid a travel allowance rather than being reimbursed for the actual miles traveled. These allowances range from \$200 to \$500 per month and average approximately \$280 per month each. The total paid to those employees was \$30,200. However, the District did not have documentation to substantiate the routine travel or a mileage log to justify the lump sum allowances.	Yes	The District Defender recently revamped the payment of travel expenses which included the cancellation of lump sum allowances for transportation. Travel expenditures are now paid out in compliance with the Division of Administration Policies.	Michael Colwart, District Public Defender	7/1/2014
		The District submits a monthly report to the Louisiana Public Defender Board on the District's monthly cash receipts and cash disbursements. Of the three months selected for review, all were substantially correct but did contain errors ranging from approximately \$3,700 to \$4,000 for error ratios ranging from 2.7% to 2.8%.	No	The District's personnel have recently developed a worksheet to convert the information from its accounting system to the basis required by the Louisiana Public Defender Board.	Michael Colwart, District Public Defender	6/30/2015



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183 South Beadle Rd  
Lafayette, LA 70508  
Phone (337) 232-4141  
Fax (337) 232-8660

450 East Main Street  
New Iberia, LA 70560  
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Breaux Bndge, LA 70517  
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Morgan City, LA 70380  
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1428 Metro Dnve  
Alexandria, LA 71301  
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Fax (318) 442-9833

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Retired  
Conrad O Chapman, CPA\* 2006

To the District Public Defender of  
The 16<sup>th</sup> Judicial District  
Public Defenders' Office

During our audit of the basic financial statements of the 16<sup>th</sup> Judicial District Public Defenders' Office (the Public Defender) for the year ended June 30, 2015, we noted a certain area in which improvements in the accounting system and financial practices of the Public Defender should be considered.

- (1) During the fiscal year ended June 30, 2015, fund balance of the General Fund decreased by approximately \$60,000, resulting in an unassigned fund balance of approximately \$85,000. In order to achieve a sufficient fund balance reserve, the District should review its revenues and expenditures. Consideration should be given to obtaining additional funding sources and/or determining expenditure reductions where feasible.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance, please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

New Iberia, Louisiana  
November 23, 2015