

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION,
AND ST. JAMES)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

Honorable Alan Robert
23rd Judicial District Public Defender Office
(Parishes of Ascension, Assumption, and St. James)

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of 23rd Judicial District Public Defender Office (the "Public Defender") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk 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 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 23rd Judicial District Public Defender Office as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 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 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 23rd Judicial District Public Defender Office's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head or chief executive officer is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 10, 2015, on our consideration of the 23rd Judicial District Public Defender Office'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 23rd Judicial District Public Defender's internal control over financial reporting and compliance.

Perthelthwait & Nettles

September 10, 2015
Gonzales, Louisiana

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

This section of the 23rd Judicial District Public Defender Office's financial report presents our discussion and analysis of the Public Defender's financial performance during the year ended on June 30, 2015. Please read it in conjunction with the Public Defender's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Public Defender's total net position decreased by \$173,746 over the course of the year's operations.
- The Public Defender's expenses were \$173,746 more than the \$1,007,711 generated in charges for services and other revenue.
- Revenues decreased by 15.2 percent to \$1,007,711 while expenses for the year increased by 0.9 percent or approximately \$10,900.
- The general fund reported a fund balance of \$142,008, a decrease from June 30, 2015 of 54.8 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of four parts—management's discussion and analysis (this section), the financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Public Defender:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Public Defender's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Public Defender's government, reporting the Public Defender's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Public Defender's financial statements, including the portion of the Public Defender's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Figure A-1
Major Features of Public Defender's Government-wide and Fund Financial Statements

	Fund Statements	
	Government-wide Statements	Governmental Funds
Scope	Entire Public Defender government	The activities of the Public Defender
Required financial statements	<ul style="list-style-type: none"> • Statement of Net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received or have otherwise been incurred.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Government-wide Statements

The government-wide statements report information about the Public Defender as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current period's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Public Defender's net position and how they have changed. Net position—the difference between the Public Defender's assets and liabilities—is one way to measure the Public Defender's financial health, or position.

- Over time, increases or decreases in the Public Defender's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Public Defender you need to consider additional non-financial factors such as the demand for indigent defense.

The government-wide financial statements of the Public Defender include:

- Governmental activities—most of the Public Defender's basic services are included here such as cost on fines and forfeitures.

Fund Financial Statements

The fund financial statements provide more detailed information about the Public Defender's most significant funds—not the Public Defender as a whole. Funds are accounting devices that the Public Defender uses to keep track of specific sources of funding and spending for particular purposes.

The Public Defender has one type of fund:

- Governmental funds—All of the Public Defender's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Public Defender's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

FINANCIAL ANALYSIS OF THE PUBLIC DEFENDER AS A WHOLE

Net position. The Public Defender's net position decreased between the year ended 2015 and 2014 to \$146,795. (See Table A-1.)

Table A-1
Public Defender's Net position

	Governmental Activities	
	<u>6/30/15</u>	<u>6/30/14</u>
Current and other assets	\$158,430	\$324,503
Capital assets	4,787	6,453
Total assets	163,217	330,956
Current liabilities	16,422	10,415
Total liabilities	\$16,422	\$10,415
Net position		
Net investment in capital assets	4,787	6,453
Unrestricted	142,008	314,088
Total net position	\$146,795	\$320,541

Net position of the Public Defender's governmental activities decreased 54.2 percent or \$173,746 during the year. Unrestricted net position- the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements changed from \$314,088 at June 30, 2014, to \$142,008 at the end of the current fiscal year.

Changes in Net position. Total revenues for the Public Defender decreased from \$1,187,841 to \$1,007,711 representing a decrease of 15.2 percent. (See Table A-2). Approximately 73 percent of the Public Defender's revenue comes from court fines and forfeitures.

The total cost of all expenses increased by \$10,903 or 0.9 percent. The Public Defender expenses cover all of the services performed by its office.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

Governmental Activities

Revenues for the Public Defender's governmental activities decreased 15.2 percent, while total expenses increased by less than 1 percent.

Table A-2
Changes in Public Defender's Net Position

	Governmental Activities	
	<u>6/30/15</u>	<u>6/30/14</u>
Revenues		
Program revenues		
Charges for services	\$ 729,754	\$ 798,240
Grants	19,712	27,104
Interest	1,331	1,258
Miscellaneous	23,057	48,869
Intergovernmental	233,857	312,370
Total revenues	<u>1,007,711</u>	<u>1,187,841</u>
Expenses		
Personnel	985,718	992,720
Other Operating	195,739	177,834
Total expenses	<u>1,181,457</u>	<u>1,170,554</u>
(Decrease) increase in net position	<u>\$ (173,746)</u>	<u>\$ 17,287</u>

- The cost of all governmental activities for the year increased approximately 0.9 percent to \$1,181,457 primarily due to the increase in in capital representation and expert witness expenditures.

FINANCIAL ANALYSIS OF THE FUNDS

As the Public Defender completed the year, its governmental funds reported a fund balance of \$142,008, a decrease from last year of approximately \$172,000 or 54.8 percent.

General Fund Budgetary Highlights

The Public Defender did not amend the general fund budget for the fiscal year ending June 30, 2015.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

CAPITAL ASSETS

Capital Assets

At June 30, 2015, the Public Defender had invested \$4,787 in capital assets. (See Table A-3.)

Table A-3
Public Defender's Capital Assets
(net of depreciation)

	Governmental Activities	
	6/30/15	6/30/14
Furniture & Equipment	\$ 52,363	\$ 52,363
Accumulated Depreciation	(47,576)	(45,910)
Net Capital Assets	\$ 4,787	\$ 6,453

- There were no additions for the current fiscal year.
- There were no disposals for the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Public Defender is dependent on providing criminal legal services for indigent individuals in Ascension, Assumption and St. James Parishes for approximately 73 percent of its revenues. The economy is not expected to generate any significant growth. The 2015-2016 budget projects a decline in total revenues as a result of a cut by the State Board in DAF (District Assistance Funds), along with the implementation of the new DAP (District Attorney Probation), and the termination of Sorrento Police Department; all of which produced revenue in the form of court cost to the Public Defender Office.

CONTACTING THE PUBLIC DEFENDER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Public Defender's finances and to demonstrate the Public Defender's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Alan Robert, 12320 Highway 44, Bldg 4, Suite B, Gonzales, LA 70737.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

	2015
Cash	\$ 40,320
Certificates of Deposit	52,053
Receivables	66,057
Capital assets, net of accumulated depreciation	4,787
TOTAL ASSETS	163,217

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	\$ 14,709
Payroll liabilities	1,713
TOTAL LIABILITIES	16,422

NET POSITION

Net investment in capital assets	4,787
Unrestricted	142,008
TOTAL NET POSITION	\$ 146,795

The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Unit</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
General government	\$ 1,181,457	\$ 729,754	\$ 19,712	\$ (431,991)
Total governmental activities	<u>\$ 1,181,457</u>	<u>\$ 729,754</u>	<u>\$ 19,712</u>	<u>(431,991)</u>
General Revenues:				
Intergovernmental				233,857
Interest				1,331
Miscellaneous				<u>23,057</u>
Total general revenues				<u>258,245</u>
Change in net position				(173,746)
Net position - July 1, 2014				<u>320,541</u>
Net position - June 30, 2015				<u>\$ 146,795</u>

The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS

	2015
Cash	\$ 40,320
Certificates of deposit	52,053
Receivables	66,057
TOTAL ASSETS	\$ 158,430

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	\$ 14,709
Payroll liabilities	1,713
Total liabilities	16,422
Fund balance	
Unassigned	142,008
Total fund balance	142,008
TOTAL LIABILITIES AND FUND BALANCES	\$ 158,430

The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>2015</u>
Total fund balances - Governmental Funds	\$ 142,008
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	<u>4,787</u>
Total net position at June 30, 2015 - Governmental Activities	<u><u>\$ 146,795</u></u>

The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	2015
<u>REVENUES</u>	
Costs on fines and forfeitures	\$ 729,754
Interest	1,331
Intergovernmental	233,857
Grants	19,712
Miscellaneous	23,057
	1,007,711
 <u>EXPENDITURES</u>	
General government	
Personnel	985,718
Investigations	1,920
Capital representation	23,223
Expert witness	38,455
Indigent parent fund grant	19,712
Office	16,271
Vehicle	6,943
Utilities	1,124
Telephone	5,307
Rent	18,000
Professional fees	14,636
Insurance	47,147
Repairs	975
Dues	360
	1,179,791
Excess of expenditures over revenues	(172,080)
Fund balance, beginning of year	314,088
Fund balance, end of year	\$ 142,008

The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	2015
Net change in fund balances- Governmental funds	\$ (172,080)
Capital Assets:	
Depreciation Expense for the year ended June 30, 2015	(1,666)
Change in Net Position- Governmental Activities	\$ (173,746)

The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The 23rd Judicial District Public Defender Office was created according to the Louisiana Revised Statute 15:141. This statute has been amended by Act No. 307. The purpose of the Public Defender is to provide adequate legal representation of indigent persons charged with commission of criminal offenses.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the 23rd Judicial District Public Defender Office have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Public Defender (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles

B. REPORTING ENTITY

For the financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defender Office is a part of the district court system of the State of Louisiana. However, the state statues that created the district boards also gave each of the boards control over their own operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Louisiana Public Defender Board is financially independent and operates autonomously from the State of Louisiana and is independent from the district court system. Therefore, the Public Defender Office reports as a reporting entity, not as a component unit and the general purpose financial statements include only the transactions of the Public Defender Office.

C. FUND ACCOUNTING

The Public Defender Office uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Public Defender functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds

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

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General 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 Public Defender operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Public Defender considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred except for interest and principal payments on general long term debt

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Expenditures

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

Government-Wide Financial Statements (GWFS)

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

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

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETS AND BUDGETARY ACCOUNTING

Budgetary procedures applicable to the District are defined in state law, R.S. 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

1. The Public Defender prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budget is made available for public inspection for a fifteen day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the calendar year.
5. All annual appropriations lapse at year end.

F. CASH AND CERTIFICATES OF DEPOSIT

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

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Public Defender maintains a threshold level of \$250 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 are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 7 years.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

Net investment in capital assets – This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year end, the Public Defender did not have any borrowings that were related to capital assets.

Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”

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

J. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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

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

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

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

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

Unassigned- represents balances for which there are no constraints.

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

2. CAPITAL ASSETS

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

	<u>Furniture and Equipment</u>
Cost of Capital Assets, June 30, 2014	\$ 52,363
Additions	<u> -</u>
Cost of Capital Assets, June 30, 2015	<u>52,363</u>
Accumulated depreciation, June 30, 2014	45,910
Additions	<u>1,666</u>
Accumulated depreciation June 30, 2015	<u>47,576</u>
Capital assets, net of accumulated depreciation, at June 30, 2015	<u>\$ 4,787</u>

For the year ended June 30, 2015, depreciation expense was \$1,666.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

3. CASH

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

	<u>2015</u>
Demand Deposits	\$ 40,320
Time Deposits	<u>52,053</u>
Total	<u>\$ 92,373</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value for the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

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

4. LITIGATIONS AND CLAIMS

There was no pending or threatened litigation against the 23rd Judicial District Public Defender as of June 30, 2015.

5. OPERATING LEASE

The Public Defender leases office space under a month to month agreement. The Public Defender paid monthly rental payments of \$1,500. Payments under this lease totaled \$18,000 for the year ended June 30, 2015.

6. SUBSEQUENT EVENTS

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

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

23rd JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

7. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

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

Revenues:

State Government

Grants	\$ 19,712	
Other	<u>233,857</u>	
Total		\$253,569

Local Government

Statutory fines, forfeitures, fees, court costs, and other	<u>729,754</u>	
Total		729,754

Investment earnings

<u>1,331</u>	1,331
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Miscellaneous

<u>23,057</u>	<u>23,057</u>
Total Revenues	<u><u>\$1,007,711</u></u>

Expenditures:

Personnel Services and Benefits

Salaries	\$223,375	
Payroll taxes	<u>13,249</u>	
Total		\$236,624

Professional Development

Dues, licenses, and registrations	<u>360</u>	
Total		360

Operating Costs

Library and research	1,920	
Contract services - attorney/legal	749,094	
Contract services -other	61,678	
Lease – office	18,000	
Travel – transportation	6,943	
Insurance	47,147	
Supplies	16,271	
Repairs and maintenance	975	
Utilities and telephone	6,431	
Other	<u>34,348</u>	
Total		<u>942,807</u>
Total Expenditures		<u><u>\$1,179,791</u></u>

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Costs on fines and forfeitures	\$ 830,000	\$ 830,000	\$ 729,754
Interest	1,500	1,500	1,331
Intergovernmental	186,126	186,126	233,857
Grants	19,712	19,712	19,712
Miscellaneous	20,000	20,000	23,057
Total Revenues	<u>1,057,338</u>	<u>1,057,338</u>	<u>1,007,711</u>
<u>EXPENDITURES</u>			
Personnel	1,028,000	1,028,000	985,718
Investigations	7,500	7,500	1,920
Capital representation	50,000	50,000	13,324
Conflict	8,700	8,700	9,899
Expert witness	15,000	15,000	38,455
Indigent parent fund grant	36,000	36,000	19,712
Insurance	18,250	18,250	47,147
Office	13,700	13,700	16,271
Vehicle	7,000	7,000	6,943
Utilities	8,000	8,000	6,431
Rent	18,000	18,000	18,000
Professional fees	17,500	17,500	14,636
Repairs	4,000	4,000	975
Dues	750	750	360
Total Expenditures	<u>1,232,400</u>	<u>1,232,400</u>	<u>1,179,791</u>
Excess of revenues over (under) expenditures	(175,062)	(175,062)	(172,080)
Fund Balance, July 1, 2014	<u>260,545</u>	<u>260,545</u>	<u>314,088</u>
Fund Balance, June 30, 2015	<u>\$ 85,483</u>	<u>\$ 85,483</u>	<u>\$ 142,008</u>

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2015

Agency Head Name/Title: Alan Robert, Public Defender

Purpose	Amount
Salary	\$110,000
Benefits-insurance	14,074
Cell phone	1,855
Dues	435
Per diem	154
Reimbursements	230
Travel	6,943
	<u>\$133,691</u>

See independent auditors' report.

**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**

Honorable Alan Robert
23rd Judicial District Public Defender Office
(Parishes of Ascension, Assumption, and St. James)

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 23rd Judicial District Public Defender Office (the "Public Defender"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Public Defender's basic financial statements, and have issued our report thereon dated September 10, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 23rd Judicial District Public Defender Office'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 23rd Judicial District Public Defender's internal control. Accordingly, we do not express an opinion on the effectiveness of 23rd Judicial District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider may be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Defender office'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 did not express such an opinion. The results of our test disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2015-01.

23rd Judicial District Public Defender's Response to Findings

23rd Judicial District Public Defender Office's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Public Defender's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Portthwaite & Nettville

September 10, 2015
Gonzales, Louisiana

23RD JUDICIAL DISTRICT PUBLIC DEFENDER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the 23rd Judicial District Public Defender Office.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. One instance of noncompliance material to the financial statements of the 23rd Judicial District Public Defender Office is disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

2015-01 LOCAL BUDGET ACT

Criteria: The Local Government Budget Act (LSA-RS 39: 1307) requires a political subdivision give notice via publication that the proposed budget is available for public inspection. LSA-RS 39:1305 requires the budget to include a budget message signed by the preparer to highlight the most important features.

Condition: The District did not give notice of publication in its official journal for the general fund budget nor was a budget message prepared for the year ended June 30, 2015.

Cause: Procedures were not adequately designed to ensure a budget was made available for public inspection and a budget message was prepared for the year ended June 30, 2015.

Effect: Since the District failed to properly give notice of publication of the general fund budget or prepare a budget message, the District is not in compliance with the local government budget act.

Recommendation: We recommend management publish a notice in its official journal stating that the proposed budget is available for public inspection fifteen days prior to the beginning of each fiscal year. We also recommend a budget message be prepared for the proposed budget that discusses the most important features of the proposed financial plan.

Views of responsible officials and planned corrective actions: Due to lack of oversight, the budget procedures were not adequately followed. Management will take measures and design procedures to ensure the procedures for the local budget act are adequately followed in accordance with state law.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None noted.