

**THIRTY-FIFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND**

COLFAX, LOUISIANA

Annual Financial Report

For the Year Ended June 30, 2014

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Independent Accountants' Report

November 21, 2014

Thirty-Fifth Judicial District
Indigent Defender Fund
Colfax, Louisiana

We have compiled the accompanying financial statements of the governmental activities and each major fund of the Indigent Defender Fund for the Thirty-Fifth Judicial District, a component unit of the Louisiana Public defender Board, as of and for the year ended June 30, 2014, which collectively comprise the Indigent Defender's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has been compiled by us without audit or review and accordingly, we do not express an opinion or provide any assurance on it.

The financial statements present only the Indigent Defender Fund for the Thirty-Fifth Judicial District, which is a component of the Louisiana Public Defender Board and do not purport to present fairly the financial position of the Louisiana Public Defender Board as of June 30, 2014, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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INDIGENT DEFENDER FUND

Thirty-Fifth Judicial District

Management's Discussion and Analysis

June 30, 2014

This section of the annual financial report presents our discussion and analysis of the Indigent Defender Fund's financial performance during the fiscal year ended June 30, 2014.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Indigent Defender Fund's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Indigent Defender Fund as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Indigent Defender Fund's assets and all of its liabilities. All of the Fund's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by state appropriations and certain fees.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Indigent Defender Fund's most significant activities and are not intended to provide information for the Fund as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Indigent Defender Fund's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Indigent Defender Fund's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE INDIGENT DEFENDER FUND AS A WHOLE

An analysis of the government-wide Statement of Net Position is presented as follows:

INDIGENT DEFENDER FUND
Thirty-Fifth Judicial District

Management's Discussion and Analysis
June 30, 2014

	June 30,	
	2014	2013
<u>Assets:</u>		
Cash and Cash Equivalents	\$ 5,841	\$ 31,107
Receivables	7,371	9,022
Total Assets	<u>13,212</u>	<u>40,129</u>
<u>Liabilities:</u>		
Accounts Payable	865	1,048
Total Liabilities	<u>865</u>	<u>1,048</u>
<u>Net Position:</u>		
Unrestricted	12,347	39,081
Total Net Position	<u>\$ 12,347</u>	<u>\$ 39,081</u>

As the presentation appearing above demonstrates, net position is unrestricted and may be used to meet the Indigent Defender Fund's ongoing obligations.

An analysis of the government-wide Statement of Activities is presented as follows:

	For the Year	
	Ended June 30,	
	2014	2013
<u>Revenues:</u>		
Program Revenue:		
Charges for Services	\$ 113,096	\$ 105,975
Operating Grants and Contributions	59,956	108,079
General Revenue:		
Interest	83	87
Total Revenue	<u>173,135</u>	<u>214,141</u>
<u>Program Expenses:</u>		
Personnel Services and Benefits	20,884	17,440
Professional Development	858	308
Operating Cost	178,127	179,459
Total Program Expenses	<u>199,869</u>	<u>197,207</u>
Change in Net Position	(26,734)	16,934
Net Position Beginning	39,081	22,147
Net Position Ending	<u>\$ 12,347</u>	<u>\$ 39,081</u>

As the accompanying presentation demonstrates, the Indigent Defender Fund consumed a portion of its reserves to enhance services offered to defendants in need.

INDIGENT DEFENDER FUND

Thirty-Fifth Judicial District

Management's Discussion and Analysis

June 30, 2014

FINANCIAL ANALYSIS OF THE FUNDS

For the year ended June 30, 2014, governmental fund balances were identical to net position.

BUDGET HIGHLIGHTS

Expenditures were within the framework established by the original budget and no amendments to the original budget were necessary.

CAPITAL ASSET ADMINISTRATION

The Indigent Defender Fund has not acquired any capital assets.

DEBT ADMINISTRATION

The Indigent Defender Fund has no debt outstanding.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, management is aware of no factors that are expected to affect future operations.

INDIGENT DEFENDER FUND
Thirty-Fifth Judicial District

Balance Sheet - Governmental Funds / Statement of Net Position
June 30, 2014

	<u>Governmental Funds</u>		<u>Statement of</u>
	<u>General Fund</u>	<u>Adjustments</u>	<u>Net Position</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$ 5,841	\$ -	\$ 5,841
Accounts Receivable (Net of Allowance for Doubtful Accounts)	<u>7,371</u>	<u>-</u>	<u>7,371</u>
Total Assets	<u>\$ 13,212</u>	<u>\$ -</u>	<u>\$ 13,212</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$ 41	\$ -	\$ 41
Payroll Taxes Accrued and Withheld	<u>824</u>	<u>-</u>	<u>824</u>
Total Liabilities	<u>865</u>	<u>-</u>	<u>865</u>
<u>Fund Balances / Net Position:</u>			
Fund Balances:			
Unassigned	<u>12,347</u>	<u>(12,347)</u>	<u>-</u>
Total Fund Equity	<u>12,347</u>	<u>(12,347)</u>	<u>-</u>
Total Liabilities & Fund Equity	<u>\$ 13,212</u>	<u>\$ (12,347)</u>	<u>\$ 865</u>
Net Position:			
Unrestricted		<u>12,347</u>	<u>12,347</u>
Total Net Position		<u>\$ 12,347</u>	<u>\$ 12,347</u>

See the accompanying notes and independent accountants' report.

INDIGENT DEFENDER FUND**Thirty-Fifth Judicial District****Statement of Revenue, Expenditures and Changes in Fund****Balance / Statement of Activities****For the Year Ended June 30, 2014**

	<u>Governmental Funds</u> <u>General Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Position</u>
<u>Expenditures Expenses:</u>			
Judiciary:			
Personnel Services and Benefits	20,884	-	20,884
Professional Development	858	-	858
Operating Cost	178,127	-	178,127
Total Expenditures / Expenses	<u>199,869</u>	<u>-</u>	<u>199,869</u>
<u>Program Revenues</u>			
Charges for Services	113,096	-	113,096
Operating Grants and Contributions	59,956	-	59,956
Total Program Revenues	<u>173,052</u>	<u>-</u>	<u>173,052</u>
Net Program Expenses	<u>(26,817)</u>	<u>-</u>	<u>(26,817)</u>
<u>General Revenues</u>			
Interest	<u>83</u>	<u>-</u>	<u>83</u>
Total General Revenues	<u>83</u>	<u>-</u>	<u>83</u>
Excess (Deficiency) of Revenues Over Expenditures / Change in Net Position	(26,734)	-	(26,734)
<u>Fund Balance / Net Position</u>			
Beginning of Year	<u>39,081</u>	<u>-</u>	<u>39,081</u>
End of Year	<u>\$ 12,347</u>	<u>\$ -</u>	<u>\$ 12,347</u>

See the accompanying notes and independent accountants' report.

INDIGENT DEFENDER FUND

Thirty-Fifth Judicial District

Notes to Financial Statements

For the Period Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Thirty-Fifth Judicial District Indigent Defender Fund was established under the laws of the State of Louisiana in order to provide legal representation for indigent people involved in criminal proceedings. The fund receives appropriations from the State of Louisiana as well as fees and other costs, which are assessed from persons participating in the judicial process. The Fund may also receive fees from indigent defendants, whenever the District Judge determines that fees of this nature are appropriate. The Fund is administered by the District Public Defender who is appointed by the Louisiana Public Defender Board.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

Governmental Accounting Standards established criteria for determining which component units should be considered part of the financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability include:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the reporting entity to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the Indigent Defender Fund is a component of the Louisiana Public Defender Board, which is a component of the State of Louisiana. The accompanying financial statements present information only on the accounts maintained by the Public Defender of the Thirty-Fifth Judicial District. The financial statements do not present information of the State of Louisiana or the Louisiana Public Defender Board, the general government service provided by those governmental units, or other governmental units that comprise the financial reporting entity.

INDIGENT DEFENDER FUND

Thirty-Fifth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2014

Fund Accounting

The accounts are organized on the basis of funds, which consist of a single general fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available as net current assets. Revenues are considered available if the revenue is collected within 60 days of the year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Inventories of supplies are considered immaterial and are not recorded.

Use of Estimates

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

Budgets

Budgets are adopted prior to the beginning of each year using the generally accepted basis of accounting. Furthermore, budgets are amended in the manner prescribed by state law.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Compensated Absences:

The personnel policy adopted by the Public Defender does not allow employees to carryover material amounts of vested leave. As a result, no provision for compensated absences is included in the accompanying financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

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 of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

INDIGENT DEFENDER FUND
Thirty-Fifth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2014

At June 30, 2014, the Fund's entire collected bank balance was fully secured from risk by federal deposit insurance.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 are summarized as follows:

Fees assessed from indigent defendants	\$ 526,354
Due from the Grant Parish Sheriff's Office	<u>7,371</u>
Total accounts receivable	533,725
Allowance for doubtful accounts	<u>(526,354)</u>
Accounts receivable net of allowance for doubtful accounts	<u>\$ 7,371</u>

NOTE 4 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES

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

Revenues:

State Government	
Appropriations – Special	\$ 59,956
Local Governments	
Statutory Fines, Forfeitures, Fees and Court Cost	102,657
Charges for Services	10,439
Investment Earnings	<u>83</u>
Total Revenues	<u>\$ 173,135</u>

Expenditures

Personnel Services and Benefits	
Salaries	19,400
Payroll Taxes	<u>1,484</u>
Total	20,884
Professional Development	
Dues, Licenses and Registration	858
Other	<u>----</u>
Total	858

INDIGENT DEFENDER FUND
Thirty-Fifth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2014

Operating Cost		
Contract Services – Attorney / Legal	170,439	
Contract Services – Other	4,034	
Insurance	2,039	
Supplies	782	
Repairs and Maintenance	198	
Utilities and Telephone	488	
Other	147	
Total	<u> </u>	178,127
Total Expenditures		<u>199,869</u>

INDIGENT DEFENDER FUND**Thirty-Fifth Judicial District****Statement of Revenue, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
State Government				
Appropriations - Special	\$ 103,296	\$ 103,296	\$ 59,956	(43,340)
Local Governments				
Statutory Fines, Forfeitures, Fees, and Court Costs	92,200	92,200	102,657	10,457
Other Grants and Contributions	10,700	10,700	10,439	(261)
Interest	100	100	83	(17)
Total Revenues	206,296	206,296	173,135	(33,161)
<u>Expenditures:</u>				
Personnel Services and Benefits				
Salaries	16,200	16,200	19,400	(3,200)
Payroll Taxes	1,248	1,248	1,484	(236)
Total	17,448	17,448	20,884	(3,436)
Professional Development				
Dues, Licenses, and Registrations	1,000	1,000	858	142
Other	1,000	1,000	-	1,000
Total	2,000	2,000	858	1,142
Operating Cost				
Contract Services - Attorney / Legal	179,089	179,089	170,439	8,650
Contract Services - Other	12,500	12,500	4,034	8,466
Insurance	2,200	2,200	2,039	161
Supplies	2,300	2,300	782	1,518
Repairs and Maintenance	-	-	198	(198)
Utilities and Telephone	-	-	488	(488)
Other	500	500	147	353
Total	196,589	196,589	178,127	18,462
Total Expenditures	216,037	216,037	199,869	16,168
Excess (Deficiency) of Revenues Over Expenditures	(9,741)	(9,741)	(26,734)	(16,993)
Fund Balance at Beginning of Year	39,081	39,081	39,081	-
Fund Balance at End of Year	\$ 29,340	\$ 29,340	\$ 12,347	\$ (16,993)

See independent accountants' report.