

**THE SIXTH JUDICIAL
DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL,
MADISON, AND TENSAS, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 26 2014**

**Heard, McElroy, & Vestal, LLC
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THE SIXTH JUDICIAL
DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL,
MADISON, AND TENSAS, LOUISIANA
JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

Sixth Judicial District Public Defender
East Carroll, Madison and Tensas Parishes
411 Dabney Street
Tallulah, Louisiana 71282

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sixth Judicial District Public Defender as of and for the year ended June 30, 2013, 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 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.

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Independent Auditor's Report
Page Two

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, of the Sixth Judicial District Public Defender, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows 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 management's discussion and analysis and budgetary comparison information on pages 4-8 and 21 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 my 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 6, 2013, on our consideration of the Sixth Judicial District Public Defender'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 Sixth Judicial District Public Defender's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

December 6, 2013

REQUIRED SUPPLEMENTARY INFORMATION

PART I

**THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

As management of the Sixth Judicial District Public Defender, we offer readers of the Sixth Judicial District Public Defender's (Public Defender) financial statements this narrative overview and analysis of the financial activities Public Defender for the year ended June 30, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduced the Public Defender's basic financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Public Defender's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditors have provided assurance in their independent auditor's report that the basic financial statements are fairly stated. The auditors, regarding the required supplemental information are providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Governmental-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Sixth Judicial District Public Defender's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Sixth Judicial District Public Defender's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Sixth Judicial District Public Defender is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sixth Judicial Public Defender, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Sixth Judicial District Public Defender uses only governmental funds.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditure, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Sixth Judicial District Public Defender adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund to financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sixth Judicial District Public Defender's performance.

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal period, the Public Defender's assets exceeded its liabilities by \$191,483; this represents a decrease of \$8,577 in the year ended June 30, 2013. Of this total net position amount, \$186,287 is unrestricted. The Public Defender's net position is comprised of \$186,287 unrestricted, and \$5,196 invested in capital assets.

**THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The following is a condensed statement of the Sixth Judicial District Public Defender's net position as of June 30, 2013, and 2012.

Assets	<u>2013</u>	<u>2012</u>
Current & Other Assets	\$ 193,470	\$ 203,530
Capital Assets (net)	<u>5,196</u>	<u>5,962</u>
Total Assets	<u>198,666</u>	<u>209,492</u>
 Liabilities		
Other Liabilities	7,183	9,432
Long-term Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>7,183</u>	<u>9,432</u>
 Net Position		
Invested in capital assets, net	5,196	5,962
Restricted	<u>-</u>	<u>-</u>
Unrestricted	<u>186,287</u>	<u>194,098</u>
 Total Net Position	<u>\$ 191,483</u>	<u>\$ 200,060</u>

The Public Defender has unrestricted net position of \$186,287, which may be used to meet the government's on-going obligation to citizens and creditors.

The Public Defender also had \$5,196 invested in capital assets, and no long-term debt.

**SIXTH JUDICIAL DISTRICT INDIGENT DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The following is a summary of the statement of activities:

	<u>Year Ended 6/30/2013</u>	<u>Year Ended 6/30/2012</u>
Revenue:		
Program Revenue	\$ 4,188	\$ 2,922
General Revenue	<u>500,293</u>	<u>534,140</u>
Total Revenue	<u>504,481</u>	<u>537,062</u>
Expenses:		
Professional Services	299,623	282,366
General & Administrative	<u>213,435</u>	<u>185,866</u>
Total Expenses	<u>513,058</u>	<u>468,232</u>
Increase (Decrease) in Net Position	(8,577)	68,830
Net Position, Beginning	<u>200,060</u>	<u>131,230</u>
Net Position, Ending	<u>\$ 191,483</u>	<u>\$ 200,060</u>

Business-type Activities

The Public Defender does not have any business-type activities.

Financial Analysis of the Fund's Governmental Fund

The Sixth Judicial District Public Defender's governmental fund (General Fund) reported an ending fund balance of \$186,287, which is an increase of \$7,811 when compared to the prior period.

Capital Asset and Debt Administration

Capital assets. The Sixth Judicial District Public Defender's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$5,196. This investment includes furniture, equipment and a portable building. This value is net of accumulated depreciation.

General Fund Budgetary Highlights

The Public Defender's budget is prepared according to Louisiana law.

A budgetary comparison schedule showing the Sixth Judicial District Public Defender's originally adopted budget compared with actual operating results is provided in the report that follows.

**THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

Economic Factors and Next Year's Budgets.

The Sixth Judicial District Public Defender considered many factors when setting the Sixth Judicial District Public Defender's June 30, 2014, budget.

Revenues and expenditures are expected to remain fairly consistent with the current fiscal year.

Request for Information

This financial report is designed to provide a general overview of the Sixth Judicial District Public Defender's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Sixth Judicial District Public Defender
411 Dabney Street
Tallulah, Louisiana 71282

BASIC FINANCIAL STATEMENTS

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
 EAST CARROLL, MADISON, AND TENSAS, LOUISIANA
 GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
 AS OF JUNE 30, 2013

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 149,666	\$ -	\$ 149,666
Receivables	43,804	-	43,804
Capital assets, net of accumulated depreciation	-	5,196	5,196
Total Assets	\$ 193,470	5,196	198,666
Liabilities			
Accounts payable	3,649	-	3,649
Withheld and accrued payroll taxes	3,534	-	3,534
Total Liabilities	7,183	-	7,183
Fund Balances / Net Position			
Fund balances:			
Unassigned, reported in:			
General fund	186,287	(186,287)	-
Total Fund Balances	186,287	(186,287)	-
Total Liabilities and Fund Balances	\$ 193,470	(186,287)	7,183
Net Position			
Invested in fixed assets		5,196	5,196
Unrestricted		186,287	186,287
Total Net Position		\$ 191,483	\$ 191,483

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

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
EAST CARROLL, MADISON, AND TENSAS, LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/Expenses			
Judiciary:			
Personal services	\$ 114,000	\$ -	\$ 114,000
Related benefits	20,775	-	20,775
Travel and professional development	28,133	-	28,133
Operating services	299,623	-	299,623
Operating supplies	49,761	-	49,761
Depreciation	-	766	766
Total Expenditures / Expenses	<u>512,292</u>	<u>766</u>	<u>513,058</u>
Program Revenues			
Charges for services	4,188	-	4,188
Net Program Expenses	<u>(508,104)</u>	<u>(766)</u>	<u>(508,870)</u>
General Revenues			
State grants	44,514	-	44,514
Court costs on fines	452,906	-	452,906
Investment earnings	260	-	260
Other	2,613	-	2,613
Total General Revenues	<u>500,293</u>	<u>-</u>	<u>500,293</u>
Excess (Deficiency) Of Revenues Over Expenditures	(7,811)	(766)	(8,577)
Fund Balance / Net Position:			
Beginning of the period	<u>194,098</u>	<u>5,962</u>	<u>200,060</u>
End of the period	<u>\$ 186,287</u>	<u>\$ 5,196</u>	<u>\$ 191,483</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013**

INTRODUCTION

The Sixth Judicial District Public Defender ("Public Defender"), established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district court level. The Judicial District encompasses the Parishes of East Carroll, Madison, and Tensas, Louisiana. Revenues to finance the Public Defender's operations are provided primarily from court costs on fines imposed by the various courts within the Judicial District, bail bond revenues, and Louisiana Indigent Defender Board grants. The Public Defender has three employees, two who serve as investigators and one as an office assistant. Four attorneys serve as public defenders.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Sixth Judicial District Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Public Defender is part of the operations of the District Court System. However, the District Court System is fiscally dependent on the East Carroll, Madison, and Tensas Parish Police Juries for office space and courtrooms. In addition, the Police Jurys' basic financial statements would be incomplete or misleading without inclusion of the Public Defender. For these reasons, the Public Defender was determined to be a component unit of the East Carroll, Madison, and Tensas Parish Police Juries, the financial reporting entities.

The accompanying financial statements present information only on the funds maintained by the Public Defender and do not present information on the Police Juries, the general government services provided by those governmental units, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Public Defender 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 functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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 fund from 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. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws.

Other Fund - accumulates the proceeds for the Louisiana Public Defender Board grants and their related expenditures.

D. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B, 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 balances 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 of Statements A and B, 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 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 - In the General Fund, court costs on fines and forfeitures imposed by the Public Defender and city courts, and bail bond revenues are recorded in the year they are collected by tax collectors or Parish Sheriff, provided they are received within 60 days after the fiscal year end.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements (FFS) - CONTINUED

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 column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) 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 (Statement B) are derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed from the Public Defender's general revenues.

E. BUDGETS

The Public Defender adopted a budget as part of the funding requirement for the year June 30, 2013.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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. The Public Defender maintains a level of \$500 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 salvaged value is taken into consideration for depreciation purposes. All capital assets are depreciated

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. CAPITAL ASSETS - CONTINUED

using the straight line method over their estimated lives. Furniture and fixtures use a five to seven year useful life.

I. COMPENSATED ABSENCES

The Public Defender does not have a formal leave policy.

J. ESTIMATES

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2013, the Public Defender had cash and cash equivalents (book balances) totaling \$149,666 as follows:

Petty cash	\$ 200
Demand deposits	-
Interest bearing demand deposits	149,466
	<u>\$ 149,666</u>

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

At June 30, 2013, the Public Defender had \$163,193 in deposits (collected bank balances). These deposits are secured from risk by \$163,193 of federal deposit insurance and \$0 of pledged securities.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
 NOTES TO THE FINANCIAL STATEMENTS
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

3. RECEIVABLES

The receivables at June 30, 2013, are as follows:

<u>Class of Receivable</u>	<u>Governmental Fund</u>	<u>Government- Wide</u>
Fines and Forfeitures	<u>\$ 43,804</u>	<u>\$ 43,804</u>

All of the Public Defender's receivables stem from payments from the three parishes that support the Public Defender. The three parishes are statutorily bound to remit the funds that are due to the Public Defender, therefore there is no risk of default.

4. CHANGES IN CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2013, is as follows:

<u>Government Activities</u>	<u>Balance June 30, 2012</u>	<u>Addition</u>	<u>Deduction</u>	<u>Balance June 30, 2013</u>
Furniture and Equipment	\$ 7,672	\$ -	\$ -	\$ 7,672
Storage Building	3,251	-	-	3,251
Total-Governmental Activities	<u>10,923</u>	<u>-</u>	<u>-</u>	<u>10,923</u>
 Less accumulated depreciation				
Furniture and Equipment	3,913	549	-	4,462
Storage Building	1,048	217	-	1,265
Total	<u>4,961</u>	<u>766</u>	<u>-</u>	<u>5,727</u>
 Capital Assets - Net	 <u>\$ 5,962</u>	 <u>\$ (766)</u>	 <u>\$ -</u>	 <u>\$ 5,196</u>

5. RISK MANAGEMENT

The Public Defender currently carries no insurance. The attorney's are reimbursed a portion of their professional liability premium.

6. CONTINGENCIES

The Public Defender receives State grants for specific purposes that are subject to review and audit by State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Public Defender, such disallowances, if any, will not be significant.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2013

7. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2013, the major sources of governmental fund revenues and expenditures were as follows:

Revenues

State Government	
Appropriation - General	\$ 44,514
Local Government	
Statutory Fines, Forfeitures, Fees Court Costs, Other	455,519
Charges for Service	4,188
Investment Earnings	<u>260</u>
Total Revenues	<u><u>\$ 504,481</u></u>

Expenditures

Personal Services and Benefits	
Salaries	\$ 114,000
Insurance	9,587
Payroll Taxes	11,188
Total	<u>134,775</u>
Professional Development	
Dues, Licenses, and Registrations	1,689
Travel	3,284
Total	<u>4,973</u>
Operating Costs	
Library and Research	17,414
Contract Services - Attorney/Legal	284,173
Contract Services - Other	7,154
Lease - Office	7,200
Travel - Transportation	23,160
Travel - Other	375
Insurance	8,297
Supplies	2,459
Repairs and Maintenance	2,841
Utilities and Telephone	8,756
Other	10,715
Total	<u>372,544</u>
Total Expenditures	<u><u>\$ 512,292</u></u>

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

8. NEW ACCOUNTING PRONOUNCEMENTS

GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, implemented this year provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Statement of Net Assets is renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflow of resources. The Public Defender has determined that they have no deferred outflows or inflows as defined by this standard.

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 6, 2013, which is the date the financial statements were available to be issued. As of December 6, 2013, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
 EAST CARROLL, MADISON, AND TENSAS, LOUISIANA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (BUDGET BASIS) AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Actual	Various Favorable (Unfavorable)
Revenues			
State revenue	\$ 44,000	\$ 44,514	\$ 514
Court fees and costs assessed	400,000	428,936	28,936
Bond fees and forfeitures	12,485	23,970	11,485
Reimbursements/Attorney Fees			
Application fees	2,798	4,188	1,390
Other revenue	-	2,613	2,613
Interest revenue	-	260	260
Total revenue	<u>459,283</u>	<u>504,481</u>	<u>45,198</u>
Expenditures			
Salaries	93,300	114,000	(20,700)
Dues and seminars	-	5,298	(5,298)
Medical insurance	8,790	9,587	(797)
Travel	24,585	22,835	1,750
Contract services	254,460	284,173	(29,713)
Facilities rent	7,200	7,200	-
Office repairs and maintenance	3,141	3,216	(75)
Office supplies	-	4,268	(4,268)
Payroll taxes	7,137	11,188	(4,051)
Malpractice insurance	2,514	8,297	(5,783)
Accounting fees	11,580	7,154	4,426
Expert witness			
Conflict	10,000	-	10,000
Equipment lease	7,500	-	7,500
Telephone and utilities	11,301	8,755	2,546
Library, journals and subscriptions	10,000	17,414	(7,414)
Miscellaneous	500	8,907	(8,407)
Total expenditures	<u>452,008</u>	<u>512,292</u>	<u>(60,284)</u>
Excess of revenue over expenditures	7,275	(7,811)	(15,086)
Fund balance beginning of year	<u>194,098</u>	<u>194,098</u>	<u>-</u>
Fund balance end of year	<u>\$ 201,373</u>	<u>\$ 186,287</u>	<u>\$ (15,086)</u>

OTHER REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

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*

INDEPENDENT AUDITOR'S REPORT

Sixth Judicial District Public Defender
East Carroll, Madison and Tensas Parishes
411 Dabney Street
Tallulah, Louisiana

We have audited the financial statements of the Sixth Judicial District Public Defender as of and for the year ended June 30, 2013, and have issued our report thereon dated December 6, 2013. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Sixth Judicial District Public Defender's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Defender's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Public Defender's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sixth Judicial District Public Defender's financial statements are free of 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.



To the Sixth Judicial District Public Defender

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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 one instance of non-compliance and other matters that is required to be reported under *Government Auditing Standards*. This finding is described in the accompanying schedule of findings and responses as item 13-01.

This report is intended solely for the information and use of the Public Defender, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 6, 2013

Heard, M Elroy Vestal, LLC

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
EAST CARROLL, MADISON, AND TENSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditor's reports expresses an unmodified opinion on the annual financial statements of the Sixth Judicial District Public Defender.
2. One instance of noncompliance material to the financial statements of the Sixth Judicial District Public Defender was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

13-01 Failure to Comply with the Local Government Budget Act (LGBA)

Finding:

The LGBA requires budget amendments when total actual expenditures plus projected expenditures for the remainder of the year are exceeding the total budgeted expenditures by 5% or more.

The Public Defender's original budget provided for \$452,008 of expenditures and the actual expenditures were \$512,293. This budget variance exceeds the 5% allowed by the LGBA.

Recommendation:

The Public Defender should monitor its budget closely and make amendments as necessary.

Management's Corrective Action Plan:

Management will monitor actual and budgeted expenditures more closely in the future, and will make amendments as necessary.

**SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
EAST CARROLL, MADISON, AND TENSAS, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

There were no prior audit findings and no management letter comments.