

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

FINANCIAL STATEMENTS

EIGHTEEN MONTHS ENDED JUNE 30, 2010

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 3/9/11

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INDEPENDENT AUDITOR'S REPORT

Mr. Tony Tillman
30th Judicial District Public Defender Office
Parish of Vernon

I have audited the accompanying financial statements of the governmental activities and the major fund of the 30th Judicial District Public Defender Office (the "Public Defender") as of and for the eighteen month period ended June 30, 2010, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 30th Judicial District Public Defender Office's management. My responsibility is to express opinions on these basic financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the basic 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 30th Judicial District Public Defender Office as of June 30, 2010, and the respective changes in financial position for the eighteen months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 8, 2010, on my consideration of the 30th Judicial District Public Defender Office's internal control over financial reporting and my 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 my 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* and should be considered in assessing the results of my audit.

The Public Defender has not presented the required budgetary comparison supplementary information and management's discussion and analysis information that the Government Accountings Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Elliott & Assoc. "APAC"

December 8, 2010

Leesville, Louisiana

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON
STATEMENT OF NET ASSETS
JUNE 30, 2010

ASSETS

Cash and cash equivalents (Note 3)	\$176,496
Receivables	8,513
Capital assets, net of accumulated depreciation (Note 2)	<u>11,727</u>
 TOTAL ASSETS	 <u>196,736</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Payroll taxes payable	<u>2,960</u>
 TOTAL LIABILITIES	 <u>2,960</u>

NET ASSETS

Invested in capital assets	11,727
Unrestricted	<u>182,049</u>
 TOTAL NET ASSETS	 <u>193,776</u>

The accompanying notes are an integral part of these financial statements.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 PARISH OF VERNON
 STATEMENT OF ACTIVITIES
 FOR THE EIGHTEEN MONTH PERIOD ENDED JUNE 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in <u>Net Assets</u> Governmental <u>Unit</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>		
<u>FUNCTIONS/PROGRAMS</u>					
<i>Governmental activities:</i>					
General government	<u>\$659,082</u>	<u>\$ 42,728</u>	<u>\$ ---</u>		<u>\$(616,354)</u>
Total governmental activities	<u>\$659,082</u>	<u>\$42,728</u>	<u>\$ ---</u>		<u>\$(616,354)</u>
General Revenues:					
Interest					3,029
<i>Intergovernmental</i>					574,850
Miscellaneous					<u>30,931</u>
Total general revenues					<u>608,810</u>
Changes in net assets					(7,544)
Net assets-January 1, 2009					<u>201,320</u>
Net assets-June 30, 2010					<u>\$193,776</u>

The accompanying notes are an integral part of these financial statements.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

ASSETS

Cash and cash equivalents (Note)	\$176,496
Accounts receivable	<u>8,513</u>
 TOTAL ASSETS	 <u>\$185,009</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Payroll taxes payable	<u>\$2,960</u>
 Total liabilities	 <u>2,960</u>
 Fund balance	
Unreserved-undesignated	<u>182,049</u>
 Total fund balance	 <u>182,049</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$185,009</u>

The accompanying notes are an integral part of these financial statements.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances – Governmental Funds	\$182,049
Cost of capital assets	17,539
Less: accumulated depreciation	<u>(5,812)</u>
	<u>11,727</u>
 Total net assets – Governmental Activities	 <u>\$193,776</u>

The accompanying notes are an integral part of these financial statements.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 PARISH OF VERNON
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE-GOVERNMENTAL FUND
 FOR THE EIGHTEEN-MONTH PERIOD ENDED JUNE 30, 2010

REVENUES

Costs on fines and forfeitures	\$533,900
Interest	3,029
Intergovernmental	83,678
Miscellaneous	<u>30,931</u>

Total Revenues 651,538

EXPENDITURES

Current

General government	
Contract services-attorney/legal	547,988
Salaries and related benefits	48,786
Other professional fees	10,342
Research services	3,933
Postage and freight	2,075
Office supplies	9,428
Travel	614
Telephone	1,044
Miscellaneous	737
Professional fees – conflict attorney	1,143
Insurance	1,272
Online library fees	24,376
Continuing education	1,532
Capital outlay	<u>1,603</u>

Total Expenditures 654,873

Excess of Expenditures over Revenues (3,335)

Fund balance, beginning of year 185,384

Fund balance, end of year \$182,049

The accompanying notes are an integral part of these financial statements.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND
CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2010

Excess of Expenditures and Other Uses Over Revenue and Other Sources	\$ (3,335)
Capital Assets:	
Capital Outlay capitalized	1,603
Depreciation expense for the eighteen month period ended June 30, 2010	(5,812)
Loss on disposal of fixed assets	<u> ---</u>
Change in Net Assets – Governmental Activities	<u>\$ (7,544)</u>

The accompanying notes are an integral part of these financial statements.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The 30th 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 felonies.

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the 30th 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. 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 Louisiana Public Defender Board provides for the supervision, administration, and delivery of a statewide public defender system, which must deliver uniform public defender services in all courts in this state. The 30th Judicial District Public Defender is not considered a component unit.

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.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 equated 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 Assets 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).

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.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

E. BUDGETS AND BUDGETARY ACCOUNTING

The Public Defender's office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, 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

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 \$500 or more for capitalizing capital assets.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Capital assets are recorded in the Statement of Net Assets 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.

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.

2. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the eighteen month period ended June 30, 2010, are as follows:

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

	<u>Furniture And Equipment</u>
Cost of Capital Assets, December 31, 2008	\$ 15,936
Additions	1,603
Deletions	<u>---</u>
Cost of Capital Assets, June 30, 2010	<u>17,539</u>
Accumulated depreciation, December 31, 2008	3,898
Additions	1,914
Deletions	<u>---</u>
Accumulated depreciation, June 30, 2010	<u>5,812</u>
Capital assets, net of accumulated depreciation, at June 30, 2010	<u>11,727</u>

For the eighteen month period ended June 30, 2010, depreciation expense was \$1,914.

3. CASH

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

	<u>2010</u>
Demand deposits	\$132,672
Time deposits	<u>43,824</u>
Total	<u>176,496</u>

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 has a deposit policy for custodial credit risk. As of June 30, 2010, \$190,198 of the bank balance was not exposed to custodial credit risk.

Interest Rate Risk—The Defender 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 30th Judicial District Public Defender as of June 30, 2010.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, December 15, 2010, 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.

**30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
PARISH OF VERNON**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

6. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2010, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government		
Other	<u>\$83,678</u>	
Total		\$83,678
Local Government		
Statutory fines, forfeitures, fees, court costs, and other	<u>533,900</u>	
Total		533,900
Investment earnings	<u>3,029</u>	3,029
Miscellaneous	<u>30,931</u>	<u>30,931</u>
Total Revenues		<u>\$651,538</u>

Expenditures:

Personnel Services and Benefits		
Salaries	\$47,162	
Payroll taxes	<u>1,624</u>	
Total		\$48,786
Operating Costs		
Library and research	24,376	
Contract services—attorney/legal	549,131	
Travel—transportation	614	
Supplies	9,428	
Utilities and telephone	1,044	
Insurance	1,272	
Other	<u>18,619</u>	
Total		<u>604,484</u>
Capital Outlay	<u>1,603</u>	<u>1,603</u>
Total Expenditures		<u>\$654,873</u>

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W. Micheal Elliott, CPA

**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**

Mr. Tony Tillman
30th Judicial District Public Defender Office
Parish of Vernon

I have audited the financial statements of the governmental activities and the major fund of the 30th Judicial District Public Defender Office (the "Public Defender"), as of and for the eighteen month period ended June 30, 2010, which collectively comprise the 30th Judicial District Public Defender Office's basic financial statements and have issued my report thereon dated December 8, 2010. I conducted my 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 my audit, I considered the 30th Judicial District Public Defender Office's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 30th Judicial District Public Defender Office's internal control over financial reporting. Accordingly, I 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.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did identify one deficiency in internal control over financial reporting that I consider to be a material weakness, as defined above and is described in the accompanying schedule of findings and questioned costs as 10-1(IC).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Defender office's financial statements are free of material misstatement, I 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 my audit, and accordingly, I did not express such an opinion.

The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

30th Judicial District Public Defender Office's response to findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Public Defender's response and accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Public Defender, management, and the Legislative Auditor, 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.

Elliott & Assoc. "APAC"
December 8, 2010
Leesville, Louisiana

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
SCHEDULE OF FINDINGS AND RESPONSES
EIGHTEEN MONTHS PERIOD ENDED JUNE 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the 30th Judicial District Public Defender Office.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.

30TH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Summary Schedule of Audit Findings

and Management's Corrective Action Plan

Eighteen month period ended June 30, 2010

<u>Ref.No.</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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CURRENT YEAR (6/30/10)—

Findings which are required to be reported in accordance with generally accepted Governmental Auditing standards:

Internal Control:

10-1(1C)	Unknown Due to the small number of employees, the Defender did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the administrative office and the cost-benefit of additional personnel, management feels it may not be feasible to achieve complete segregation of duties.	Jennifer West	N/A
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PRIOR YEAR (12/31/08)

There were no findings for the fiscal year ended December 31, 2008.