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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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 7/22/09

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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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INDEPENDENT AUDITORS' REPORT

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

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 December 31, 2008, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 23rd Judicial District Public Defender Office's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Defender's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our 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 23rd Judicial District Public Defender Office as of December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2009, on our consideration of the 23rd Judicial District Public Defender Office's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 8 and 22, are not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Poatthwait & Nettville

June 3, 2009

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2008

This section of the 23rd Judicial District Public Defender Office's annual financial report presents our discussion and analysis of the Public Defender's financial performance during the fiscal year that ended on December 31, 2008. Please read it in conjunction with the Public Defender's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Public Defender's total net assets decreased by \$33,877 over the course of this year's operations.
- Net assets decreased because the Public Defender's revenues were \$33,877 less than expenses.
- Expenses for the year were \$961,087, an increase of approximately \$171,100 or 21.7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management's discussion and analysis (this section), the financial statements, and required 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

Year Ended December 31, 2008

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 assets • 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

Year Ended December 31, 2008

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 assets includes all of the government's assets and liabilities. All of the current year'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 assets and how they have changed. Net assets—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 assets 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.

- Some funds are required by State law and by bond covenants.

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

Year Ended December 31, 2008

FINANCIAL ANALYSIS OF THE PUBLIC DEFENDER AS A WHOLE

Net assets. The Public Defender's net assets decreased between calendar years 2008 and 2007 to approximately \$592,000. (See Table A-1.)

Table A-1
Public Defender's Net Assets

	Governmental Activities	
	2008	2007
Current and other assets	\$571,124	\$599,747
Capital assets	26,298	30,368
Total assets	597,422	630,115
Current liabilities	5,338	4,154
Total liabilities	\$5,338	\$4,154
Net assets		
Invested in capital assets	26,298	30,368
Unrestricted	565,786	595,593
Total net assets	\$592,084	\$625,961

Net assets of the Public Defender's governmental activities decreased 5.4 percent or \$33,877 during the year.

Changes in net assets. The Public Defender's total revenues decreased by 7.2 percent to \$927,210. (See Table A-2). Approximately 69 percent of the Public Defender's revenue comes from court fines and forfeitures.

The total cost of all expenses increased approximately \$171,000 or 21.7 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

Year Ended December 31, 2008

Governmental Activities

Revenues for the Public Defender's governmental activities decreased 7.2 percent, while total expenses increased 21.7 percent.

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

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues		
Charges for services	\$638,321	\$727,461
Operating grants	-	138,616
General revenues		
Interest	12,818	14,090
Miscellaneous	48,186	11,056
Intergovernmental	227,885	108,276
Total revenues	<u>927,210</u>	<u>999,499</u>
 Expenses		
Personnel	797,681	654,052
Other Operating	163,406	135,972
Total expenses	<u>961,087</u>	<u>790,024</u>
 Increase (decrease) in net assets	<u>\$ (33,877)</u>	<u>\$ 209,475</u>

- The cost of all governmental activities this year increased by approximately 21.7 percent to \$961,087.

FINANCIAL ANALYSIS OF THE FUNDS

As the Public Defender completed the year, its governmental funds reported a fund balance of \$ 565,786, a decrease from last year of approximately \$29,800 or 5 percent.

General Fund Budgetary Highlights

Over the course of the year, there were no amendments made to the general fund budget.

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the Public Defender had invested \$26,298 in capital assets. (See Table A-3.)

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

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Equipment	\$ 40,501	\$ 40,335
Accumulated Depreciation	(14,203)	(9,967)
Net Capital Assets	\$ 26,298	\$ 30,368

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Public Defender is dependent on providing criminal legal services for indigent individuals in Ascension Parish for approximately 69 percent of its revenues. The economy is not expected to generate any significant growth. Therefore, the Public Defender's future revenues are expected to be consistent with the current years.

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. John Lieux, 719-D S. Burnside Ave, Gonzales, LA 70737.

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

ASSETS

	2008
Cash	\$ 300,833
Certificates of Deposit	216,177
Receivables	54,114
Capital assets, net of accumulated depreciation	26,298
TOTAL ASSETS	597,422

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 3,613
Other liabilities	1,725
TOTAL LIABILITIES	5,338

NET ASSETS

Invested in capital assets	26,298
Unrestricted	565,786
TOTAL NET ASSETS	\$ 592,084

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

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Unit</u>
<u>FUNCTIONS/PROGRAMS</u>				
Governmental activities:				
General government	\$ 961,087	\$ 638,321	\$ -	\$ (322,766)
Total governmental activities	<u>\$ 961,087</u>	<u>\$ 638,321</u>	<u>\$ -</u>	<u>(322,766)</u>
General Revenues:				
Interest				12,818
Intergovernmental				227,885
Miscellaneous				<u>48,186</u>
Total general revenues				<u>288,889</u>
Change in net assets				(33,877)
Net assets - January 1, 2008				<u>625,961</u>
Net assets - December 31, 2008				<u>\$ 592,084</u>

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

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

ASSETS

	<u>General Fund 2008</u>
Cash	\$ 300,833
Certificates of deposit	216,177
Accounts receivable	53,676
Interest receivable	438
	<u> </u>
TOTAL ASSETS	<u>\$ 571,124</u>

LIABILITIES AND FUND BALANCES

<i>Liabilities</i>	
Accounts payable	\$ 3,613
Accrued liabilities	1,725
	<u> </u>
Total liabilities	5,338
	<u> </u>
<i>Fund balance</i>	
Unreserved - undesignated	565,786
	<u> </u>
Total fund balance	565,786
	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 571,124</u>

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

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 ASSETS
DECEMBER 31, 2008

	<u>2008</u>
Total fund balances - Governmental Funds	\$ 565,786
Cost of capital assets	40,501
Less: accumulated depreciation	<u>(14,203)</u>
	<u>26,298</u>
Total net assets - Governmental Activities	<u>\$ 592,084</u>

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

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2008

	2008
<u>REVENUES</u>	
Costs on fines and forfeitures	\$ 638,321
Interest	12,818
Intergovernmental	227,885
Miscellaneous	48,186
 Total Revenues	 927,210
<u>EXPENDITURES</u>	
Current	
General government	
Personnel	797,681
Investigations	33,423
Capital representation	36,035
Conflict	7,348
Expert witness	20,152
Office	6,020
Vehicle	3,521
Utilities	3,703
Telephone	4,759
Rent	21,300
Professional fees	10,630
Interest	58
Repairs	3,600
Dues	8,787
 Total Expenditures	 957,017
 Excess of Expenditures over Revenues	 (29,807)
 Fund balance, beginning of year	 595,593
 Fund balance, end of year	 \$ 565,786

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

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
DECEMBER 31, 2008

	2008
Excess of Expenditures and Other Uses Over Revenue and Other Sources	\$ (29,807)
Capital Assets:	
Capital Outlay capitalized	2,764
Depreciation expense for year ended December 31, 2008	(6,834)
	(4,070)
Change in Net Assets - Governmental Activities	\$ (33,877)

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

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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 felonies.

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. 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 23rd Judicial District Public Defender Office 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.

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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 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). 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.

All governmental activities of the Public Defender follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Public Defender Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$250 or more for capitalizing capital assets.

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.

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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.

2. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2008, are as follows:

	<u>Furniture and Equipment</u>
Cost of Capital Assets, December 31, 2007	\$ 40,335
Additions	2,764
Deletions	<u>(2,598)</u>
Cost of Capital Assets, December 31, 2008	<u>40,501</u>
Accumulated depreciation, December 31, 2007	9,967
Additions	6,834
Deletions	<u>(2,598)</u>
Accumulated depreciation, December 31, 2008	<u>14,203</u>
Capital assets, net of accumulated depreciation, at December 31, 2008	<u>\$ 26,298</u>

For the year ended December 31, 2008, depreciation expense was \$6,834.

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

3. CASH

At December 31, the Public Defender had cash (book balances) as follows:

	<u>2008</u>
Demand Deposits	\$ 300,833
Time Deposits	<u>216,177</u>
Total	<u>\$ 517,010</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 December 31, 2008, \$517,010 of 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 December 31, 2008.

5. OPERATING LEASE

The Public Defender leases office space under a month to month agreement. The Public Defender paid monthly rental payments of \$1,775. Payments under this lease totaled \$21,300 for year ended 2008.

23rd Judicial District Public Defender Office
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

6. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended December 31, 2008, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government		
Other	<u>\$227,885</u>	
Total		\$227,885
Local Government		
Statutory fines, forfeitures, fees, court costs, and other	<u>638,321</u>	
Total		638,321
Investment earnings	<u>12,818</u>	12,818
Miscellaneous	<u>48,186</u>	<u>48,186</u>
Total Revenues		<u>\$927,210</u>

Expenditures:

Personnel Services and Benefits		
Salaries	\$215,914	
Payroll taxes	<u>16,410</u>	
Total		\$232,324
Professional Development		
Dues, licenses, and registrations	<u>8,787</u>	
Total		8,787
Operating Costs		
Library and research	33,423	
Contract services - attorney/legal	565,357	
Contract services -other	63,535	
Lease - office	21,300	
Travel - transportation	3,521	
Supplies	6,020	
Repairs and maintenance	3,600	
Utilities and telephone	8,462	
Other	<u>10,688</u>	
Total		<u>715,906</u>
Total Expenditures		<u>\$957,017</u>

23RD JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
(PARISHES OF ASCENSION, ASSUMPTION, AND ST. JAMES)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Costs on fines and forfeitures	\$ 674,134	\$ 674,134	\$ 638,321
Interest	11,402	11,402	12,818
Intergovernmental	108,256	108,256	227,885
Grants	85,000	85,000	-
Miscellaneous	12,588	12,588	48,186
Total Revenues	<u>891,380</u>	<u>891,380</u>	<u>927,210</u>
<u>EXPENDITURES</u>			
Personnel	732,541	732,541	797,681
Investigations	95,262	95,262	33,423
Capital representation	-	-	36,035
Conflict	-	-	7,348
Expert witness	5,105	5,105	20,152
Office	4,582	4,582	6,020
Vehicle	7,152	7,152	3,521
Utilities	3,158	3,158	3,703
Telephone	8,806	8,806	4,759
Rent	21,300	21,300	21,300
Professional fees	7,150	7,150	10,630
Interest	100	100	58
Repairs	3,000	3,000	3,600
Dues	1,268	1,268	8,787
	<u>889,424</u>	<u>889,424</u>	<u>957,017</u>
Excess of revenues over (under) expenditures	1,956	1,956	(29,807)
Fund Balance, January 1, 2008	<u>595,593</u>	<u>595,593</u>	<u>595,593</u>
Fund Balance, December 31, 2008	<u>\$ 597,549</u>	<u>\$ 597,549</u>	<u>\$ 565,786</u>

**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 John Lieux
23rd Judicial District Public Defender Office
(Parishes of Ascension, Assumption, and St. James)

We have audited 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 December 31, 2008, which collectively comprise the 23rd Judicial District Public Defender Office's basic financial statements and have issued our report thereon dated June 3, 2009. 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 23rd Judicial District Public Defender Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 23rd Judicial District Public Defender Office'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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Public Defender office's financial statements that is more than inconsequential will be prevented or detected by the Public Defender Office's internal control. We consider the deficiencies in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting listed as 2008-01 and 2008-02.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 23rd Judicial District Public Defender Office'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. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2008-03 and 2008-04.

23rd Judicial District Public Defender Office's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Public Defender Office's response and, accordingly, we 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.



June 3, 2009

23rd Judicial District Public Defender Office

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the 23rd Judicial District Public Defender Office.
2. Two significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and internal control.
3. Two instances of noncompliance material to the financial statements of the 23rd Judicial District Public Defender Office are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

2008-01 ADJUSTMENTS AND RECLASSIFICATIONS

Condition: Failure to provide complete and accurate financial reporting resulted in material audit adjustments and/or reclassifications. Such adjustments were made to include:

- Deposits not recorded in the proper period.

Criteria: Subsidiary ledgers and supporting documentation should be reconciled to the general ledger.

Effect: Because sufficient emphasis was not placed on ensuring records were reconciled and reviewed for errors and omissions at year end, the financial statements were inaccurate.

Recommendation: The Public Defender should analyze reconciling procedures with an outside CPA to ensure financial reporting is accurate.

2008-02 LACK OF SEGREGATION OF DUTIES

Condition - the performance of accounting procedures is limited to two people.

Criteria - segregation of duties is an integral part of internal controls; as such, policies and procedures should be in place that provide reasonable assurance that financial transactions are properly recorded.

Effect - the segregation of duties is inadequate to provide effective internal control.

Recommendation –Since it would not be cost effective to increase the size of the administrative staff to achieve effective segregation of duties, we recommend at minimum for bank statements to be sent directly to the Public Defender for review.

23rd Judicial District Public Defender Office

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2008

NON COMPLIANCE

2008-03 LOCAL GOVERNMENT BUDGET ACT

Condition: The Public Defender had expenditures that exceeded budgeted expenditures by more than 5% for the year ended December 31, 2008.

Criteria: LRS 39:1311 states actual expenditures may not exceed budgeted expenditures by more than 5% for funds that are over \$250,000 in total expenditures for the year.

Effect: Failure to amend the budget violates LRS 39:1311.

Recommendation: We recommend the 23rd Judicial District Public Defender Office review all budgeted amounts near year end to determine if amendments to the budget are necessary to comply with State Budget Laws.

2008-04 LOCAL GOVERNMENT BUDGET ACT

Condition: A budget message was not prepared in accordance with budget preparation laws.

Criteria: LRS 39:1305 states the proposed budget should include a budget message signed by the budget preparer highlighting the most important features.

Effect: Failure to prepare a budget message violates LRS 39:1305.

Recommendation: We recommend a budget message be prepared with the proposed budget to comply with budget preparation laws.

**23rd Judicial District
Public Defender Office
Parishes of Ascension, Assumption and St. James**

719-D South Burnside
Gonzales, Louisiana 70737

Telephone: (225) 647-9673
Facsimile: (225) 647-9683

CORRECTIVE ACTION PLAN

June 3, 2009

Louisiana Legislative Auditor

The 23rd Judicial District Public Defender Office respectfully submits the following corrective action plan for the year ended December 31, 2008.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
326 E. Cornerview
Gonzales, LA 70737

Audit period: January 1, 2008– December 31, 2008

The findings from December 31, 2008 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS -- FINANCIAL STATEMENT AUDIT

2008-01 ADJUSTMENTS AND RECLASSIFICATIONS

Recommendation: The Public Defender should analyze reconciling procedures with outside CPA to ensure financial reporting is accurate.

Action Taken: Procedures will be established to provide proper financial reporting.

2008-02 LACK OF SEGREGATION OF DUTIES

Recommendation: All bank statement should be sent directly to the Public Defender for review.

Action taken: The Public Defender will review all bank statements.

2008-03 LOCAL GOVERNMENTAL BUDGET ACT

Recommendation: The Public Defender should review all budgeted amounts near year end to determine if amendments to the budgets are necessary to comply with State Budget Laws.

Action taken: The Public Defender will diligently review budgeted amounts next year to ensure that amendments are made if necessary.

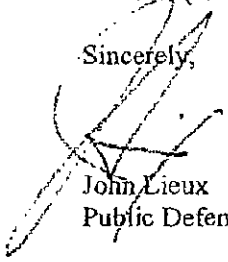
2008-04 LOCAL GOVERNMENT BUDGET ACT

Recommendation: The proposed budget should include a budget message highlighting the most important features of the budget and should be signed by the budget preparer.

Action taken: The Public Defender will comply with this law and prepare a budget message for year ending 2009, and for future years.

If the Louisiana Legislative Auditor has questions regarding this plan, please call John Lieux at (225) 644-2968.

Sincerely,



John Lieux
Public Defender