

**TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
Belle Chasse, Louisiana**

Financial Report

Year Ended June 30, 2019

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# Champagne & Company, LLC

## Certified Public Accountants

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### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Mr. Thomas H. Gernhauser  
Interim Chief District Public Defender  
Twenty-Fifth Judicial District of the State of Louisiana  
Public Defender's Office  
Belle Chasse, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Twenty-Fifth Judicial District of the State of Louisiana Public Defender's Office as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Public Defender's Office's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **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.

#### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 33 through 36 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. Such information is the responsibility of management. We have not audited, reviewed or compiled the required supplementary information, and accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
December 6, 2019

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
Belle Chasse, Louisiana

Statement of Net Position  
June 30, 2019

ASSETS

Current assets:

Cash	\$ 12,473
Fines and forfeitures receivable	<u>10,884</u>
Total current assets	<u>23,357</u>

Noncurrent assets:

Capital assets, net	<u>-</u>
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Total assets	<u>23,357</u>
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DEFERRED OUTFLOWS OF RESOURCES	<u>128,743</u>
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LIABILITIES

Current Liabilities:

Accrued liabilities	<u>2,725</u>
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Noncurrent liabilities:

Compensated absences	8,108
Net pension liability	<u>144,380</u>
Total noncurrent liabilities	<u>152,488</u>

Total liabilities	<u>155,213</u>
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DEFERRED INFLOWS OF RESOURCES	<u>9,800</u>
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NET POSITION

Net investment in capital assets	-
Unrestricted (deficit)	<u>(12,913)</u>
Total net position	<u>\$ (12,913)</u>

See accompanying notes and independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
Belle Chasse, Louisiana

Statement of Activities  
For the Year Ended June 30, 2019

Program Expenses:	
Governmental Activities	
Personnel costs	\$ 250,841
Court costs	117,683
Audit expense	24,380
Office expense	8,062
Depreciation	<u>2,421</u>
Total expenses	<u>403,387</u>
Program revenues:	
Fines forfeitures and fees	148,940
Operating grants	<u>97,870</u>
Total program revenues	<u>246,810</u>
Net program revenue	<u>(156,577)</u>
General revenues (expenses):	
Nonemployer pension contributions	2,486
Loss on disposal	(37,739)
Miscellaneous	<u>4,917</u>
Total general revenues (expenses)	<u>(30,336)</u>
Change in net position	(186,913)
Beginning net position	<u>174,000</u>
Ending net position	<u>\$ (12,913)</u>

See accompanying notes and independent accountants' review report.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUND**

### **MAJOR FUND**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
Belle Chasse, Louisiana

Balance Sheet - Governmental Fund  
General Fund  
June 30, 2019

ASSETS

Cash	\$ 12,473
Fines and forfeitures receivable	<u>10,884</u>
Total assets	<u>\$ 23,357</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accrued liabilities	<u>\$ 2,725</u>
Total liabilities	<u>2,725</u>
Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>20,632</u>
Total fund balance	<u>20,632</u>
Total liabilities and fund balance	<u>\$ 23,357</u>

See accompanying notes and independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
Belle Chasse, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2019

Total fund balance for governmental funds at June 30, 2019	\$ 20,632
The deferred outflows of expenditures are not a use of current resources, and therefore, are not reported in the funds:	
Pension plan	128,743
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:	
Compensated absences	(8,108)
Net pension liability	(144,380)
The deferred inflows of contributions are not available resources, and therefore, are not reported in the funds:	
Pension plan	<u>(9,800)</u>
Total net position of governmental activities at June 30, 2019	<u>\$ (12,913)</u>

See accompanying notes and independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
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Belle Chasse, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2019

Revenues:	
Fines forfeitures and fees	\$ 148,940
Operating grants	97,870
Miscellaneous	<u>4,917</u>
Total revenues	<u>251,727</u>
Expenditures:	
Current -	
Personnel costs	216,727
Court costs	117,325
Accounting and audit expense	24,380
Office expense	<u>8,420</u>
Total expenditures	<u>366,852</u>
Net change in fund balance	(115,125)
Beginning fund balance	<u>135,757</u>
Ending fund balance	<u>\$ 20,632</u>

See accompanying notes and independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Belle Chasse, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2019

Total net change in fund balance at June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (115,125)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense for the year ended June 30, 2019	(2,421)
The net effect of various miscellaneous transactions involving capital assets, such as sales and disposals is to decrease net position.	
Loss on disposal of equipment	(37,739)
Expenses not requiring the use of current financial resources and therefore, are not reported as expenditures in the governmental funds:	
Net change in compensated absences payable	(3,438)
Net change in pension asset/liability & related deferreds	<u>(28,190)</u>
Total change in net position at June 30, 2019 per Statement of Activities	<u>\$ (186,913)</u>

See accompanying notes and independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
Belle Chasse, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The Twenty-Fifth Judicial District of the State of Louisiana Public Defender's Office ("Public Defender's Office") was created under Louisiana Revised Statute 15:144-149 and modified by Act 307, to provide and compensate counsel to represent indigent (needy individuals) in criminal and quasi-criminal cases on the district court level.

The accompanying financial statements of the Public Defender's Office have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Public Defender's Office conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial statement reporting purposes, the Public Defender's Office is part of the district court system of the State of Louisiana. However, state statutes that create the Public Defender's Office give each of the Public Defender's Offices control over all of their operations. This includes the hiring and retention of employees, authority and control over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Public Defender's Office is financially independent and operates independently from the district court system. These financial statements include only the transactions of the Public Defender's Office.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity.

The statement of activities presents a comparison between program revenues of the Public Defender's Office and the cost of the function. Program revenues are derived directly from Public Defender's Office users as a fee for services. Revenues that are not classified as program revenues are presented as general revenues.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
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Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the Public Defender's Office are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Public Defender's Office is classified as governmental. The emphasis on fund financial statements is on the major governmental fund. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Public Defender's Office is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Public Defender's Office. It is used to account for all financial resources.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial

TWENTY-FIFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Public Defender's Office's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity**

**Cash and interest-bearing deposits**

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Public Defender's Office.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
PUBLIC DEFENDER'S OFFICE  
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Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 years
Furniture, fixtures and equipment	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Employees who have been employed by the Public Defender's Office for one to five years receive two weeks of paid vacation, for six to ten years receive three weeks of paid vacation, for ten to thirty years receive four weeks of paid vacation, and over thirty years receive six weeks of paid vacation. Employees earn ten sick days leave annually. Vacation and sick leave can be carried over each year. Sick days can be carried over up to 250 hours. Upon termination, all unused vacation time and sick time up to 250 hours is payable at the hourly rate being earned by that employee at separation.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

TWENTY-FIFTH JUDICIAL DISTRICT  
OF THE STATE OF LOUISIANA  
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Notes to Basic Financial Statements (Continued)

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Chief District Public Defender. The Chief District Public Defender is the highest level of decision-making authority for the Public Defender's Office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Chief District Public Defender.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Public Defender's Office's adopted policy, only the Chief District Public Defender may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

TWENTY-FIFTH JUDICIAL DISTRICT  
 OF THE STATE OF LOUISIANA  
 PUBLIC DEFENDER'S OFFICE  
 Belle Chasse, Louisiana

Notes to Basic Financial Statements (Continued)

At June 30, 2019, fund balance is composed of the following:

	General Fund
Nonspendable:	\$ -
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	20,632
	\$ 20,632

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Public Defender's Office considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Public Defender's Office considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Chief District Public Defender has provided otherwise in its commitment or assignment actions.

E. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Public Defender's Office may deposit funds within a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Public Defender's Office may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the Public Defender's Office has cash (book balances) totaling \$12,473.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the Public Defender's Office's deposits may not be returned to it. The Public Defender's Office's policy, by state law, is that all deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. 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. Deposit balances (bank balances) at June 30, 2019 are secured as follows:

Bank balances	<u>\$ 21,212</u>
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At June 30, 2019 the deposits are secured as follows:

Federal deposit insurance	<u>\$ 21,212</u>
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As of June 30, 2019, the Public Defender's Office's total bank balances were fully insured and, therefore, they were not exposed to custodial credit risk.

(3) Receivables

The following is a summary of receivables at June 30, 2019:

Court fines	\$ 4,038
Bond forfeitures	<u>6,846</u>
 Total	 <u>\$ 10,884</u>

(4) Changes in Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Buildings	\$ 59,589	\$ -	\$ (59,589)	\$ -
Equipment	<u>24,634</u>	<u>-</u>	<u>(1,797)</u>	<u>22,837</u>
Total capital assets	84,223	-	(61,386)	22,837
Less: accumulated depreciation	<u>(44,063)</u>	<u>(2,421)</u>	<u>23,647</u>	<u>(22,837)</u>
 Capital assets, net	 <u>\$ 40,160</u>	 <u>\$ (2,421)</u>	 <u>\$ (37,739)</u>	 <u>\$ -</u>

Depreciation expense for the year ended June 30, 2019 was \$2,421.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

(5) Pension Plan / GASB 68

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees Retirement System of Louisiana and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of Significant Accounting Policies:

The Parochial Employees' Retirement System of Louisiana (the System) prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

Basis of Accounting:

The System's employer pension schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2018.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

System Employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the State which does not have its own retirement system and which elects to become members of the System.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria.

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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Notes to Basic Financial Statements (Continued)

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate was 9.99% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2018 was 11.50% for Plan A.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue

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Notes to Basic Financial Statements (Continued)

sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue in the amount of \$2,486 and excluded from pension expense for the year ended June 30, 2019.

Employer Allocations:

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the plan during the fiscal year ended December 31, 2018 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2018.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:

At June 30, 2019, the Public Defender's Office reported a liability of \$144,380 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public Defender's Office's proportion of the net pension liability was based on a projection of the Public Defender's Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the Public Defender's Office's proportion was 0.032530%, which was an increase of 0.01054% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Public Defender's Office recognized pension expense of \$55,610 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$935.

At June 30, 2019, the Public Defender's Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 8,796
Changes of assumptions	36,100	-
Net difference between projected and actual earnings on pension plan investments	69,115	-
Change in proportion and differences between employer contributions and proportionate share of contributions	3,211	1,004
Employer contributions subsequent to the measurement date	20,317	-
Total	\$ 128,743	\$ 9,800

Deferred outflows of resources of \$20,317 related to pensions resulting from the Public Defender's Office's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2020	\$ 34,571
2021	18,115
2022	15,407
2023	30,533

Actuarial Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2018, are as follows:

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Notes to Basic Financial Statements (Continued)

Valuation Date	December 31, 2018
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.50%, net of investment expense, including inflation
Expected Remaining Service Lives	4 years
Projected Salary Increases	Plan A – 4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scaled for disabled annuitants.
Inflation Rate	2.40%

The discount rate used to measure the total pension liability was 6.50% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contributions rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and

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Notes to Basic Financial Statements (Continued)

inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability of the participating employers as of December 31, 2018 calculated using the discount rate of 6.50%, as well as what the employers' net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

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Notes to Basic Financial Statements (Continued)

	Changes in Discount Rate		
	Current		
	1.0% Decrease 5.50%	Discount Rate 6.50%	1.0% Increase 7.50%
Employer's proportionate share of the net pension liability	\$ 306,624	\$ 144,380	\$ 8,758

Change in Net Pension Liability:

The changes in the net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

- a. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in a deferred inflow of resources in the amount of \$8,796 for the year ended December 31, 2018.
- b. Changes of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$36,100 for the year ended December 31, 2018.
- c. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$69,115 for the year ended December 31, 2018.
- d. Change in proportion: Changes in the employers' proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employers' pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in

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Notes to Basic Financial Statements (Continued)

proportion resulted in a deferred outflow of resources in the amount of \$3,211 and a deferred inflow of resources in the amount of \$1,004 for the year ended December 31, 2018.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employers' proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report:

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org), or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

(6) Deferred Compensation Plan

The Public Defender's Office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. A third party, the State Mutual Life Assurance Company of America, administers the plan. The plan, which is available to all employees, permits employees to defer a portion of their salaries until future years. The deferred portion is not available to employees until termination, retirement, death or unforeseeable emergency.

The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of June 30, 2019. The Public Defender's Office has no liability for losses under the plan, but does have the duty and due care that would be required of an ordinary prudent investor. The Public Defender's Office intends to honor its moral obligation to the participants implicit in the program. No Public Defender's Office employees are participants in the plan.

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Notes to Basic Financial Statements (Continued)

(7) Compensated Absences

The Public Defender Office's compensated absences are attributable to governmental activities. The following is a summary of the compensated absences transactions during the year.

	Compensated Absences
Compensated absences payable at June 30, 2018	\$ 11,546
Additions	13,460
Reductions	(16,898)
Compensated absences payable at June 30, 2019	\$ 8,108

General fund sources have been used to liquidate liabilities in prior years.

(8) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Public Defender's Office is required to disclose the compensation, reimbursements, benefits, and other payments made to the Public Defender, in which the payments are related to the position. The following is a schedule of payments made to the Public Defender for the year ended June 30, 2019.

Entity head: Clarke Beljean, Chief District Public Defender (7/1/2018 - 3/31/2019)

Salary	\$ 63,333
Benefits - retirement	6,900
Mileage and expense reimbursement	184
Total	\$ 70,417

Entity head: Thomas H. Gernhauser, Interim Chief District Public Defender (4/1/2019 - 6/30/2019)

Salary	\$ 9,000
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Notes to Basic Financial Statements (Continued)

(9) Governmental Fund Revenues and Expenditures

For the year ended June 30, 2019, the major sources of governmental fund revenues and expenditures were as follows:

**Revenues:**

<b>State Government</b>	
Appropriations - general	\$ 97,870
<b>Local Government</b>	
Statutory fines, forfeitures, fees, court costs, and other	148,940
<b>Federal Government</b>	-
<b>Other Grants and Contributions</b>	-
<b>Charges for Services</b>	-
<b>Investment Earnings</b>	-
<b>Miscellaneous</b>	4,917
<b>Total Revenues</b>	<u>\$ 251,727</u>

**Expenditures:**

<b>Personnel Services and Benefits</b>	
Salaries	\$ 189,000
Retirement contributions	20,317
Insurance	4,800
Payroll Taxes	<u>2,610</u>
Total	216,727
<b>Professional Development</b>	-
<b>Operating Costs</b>	
Contract services - attorney/legal	117,325
Contract services - other	24,380
Travel - other	215
Insurance	-
Utilities and telephone	1,094
Other	<u>7,111</u>
Total	150,125
<b>Debt Service</b>	-
<b>Capital Outlay</b>	-
<b>Total Expenditures</b>	<u>\$ 366,852</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

TWENTY-FIFTH JUDICIAL DISTRICT  
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 General Fund

Budgetary Comparison Schedule  
 For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeitures, and fees	\$ 141,500	\$ 147,535	\$ 148,940	\$ 1,405
Operating grants	94,293	96,150	97,870	1,720
Miscellaneous	2,000	3,862	4,917	1,055
Total revenues	237,793	247,547	251,727	4,180
Expenditures:				
Current-				
Judicial-				
Personnel costs	225,300	221,846	216,727	5,119
Court costs	5,888	117,400	117,325	75
Insurance	3,500	-	-	-
Accounting and audit expense	25,000	24,380	24,380	-
Office expense	110,850	8,268	8,420	(152)
Miscellaneous	150	-	-	-
Total expenditures	370,688	371,894	366,852	5,042
Deficiency of revenues over expenditures	(132,895)	(124,347)	(115,125)	9,222
Fund balance, beginning	132,895	124,963	135,757	10,794
Fund balance, ending	\$ -	\$ 616	\$ 20,632	\$ 20,016

See independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2019

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.033576%	\$ 9,195	\$ 190,000	4.84%	99.15%
2016	0.033138%	\$ 87,229	\$ 190,000	45.91%	92.23%
2017	0.026205%	\$ 53,970	\$ 190,000	28.41%	94.15%
2018	0.021990%	\$ (16,322)	\$ 127,708	-12.78%	101.98%
2019	0.032530%	\$ 144,380	\$ 165,558	87.21%	88.86%

\* The amounts presented have a measurement date of December 31st of the previous year.

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

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Schedule of Employer Contributions  
 For the Year Ended June 30, 2019

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 28,975	\$ 28,975	\$ -	\$ 190,000	15.25%
2016	\$ 26,125	\$ 26,125	\$ -	\$ 190,000	13.75%
2017	\$ 16,266	\$ 16,266	\$ -	\$ 127,708	12.75%
2018	\$ 19,798	\$ 19,798	\$ -	\$ 165,558	11.96%
2019	\$ 20,317	\$ 20,317	\$ -	\$ 176,667	11.50%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

TWENTY-FIFTH JUDICIAL DISTRICT  
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Notes to the Required Supplementary Information  
For the Year Ended June 30, 2019

(1) Budgets

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

1. A proposed budget is prepared for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Public Defender's Office. Such amendments were not material in relation to the original appropriations.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

See independent accountants' review report.

TWENTY-FIFTH JUDICIAL DISTRICT  
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Schedule of Prior and Current Year Findings and  
Management's Corrective Action Plan  
For the Year Ended June 30, 2019

I. Prior Year Findings:

Internal Control Over Financial Reporting

2018-001 – Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the Public Defender's Office did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 2019-001

Compliance

There were no findings that are required to be reported at June 30, 2018.

Management Letter Items

There are no findings that are required to be reported at June 30, 2018.

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

2019-001 – Inadequate Segregation of Accounting Functions

Condition and Criteria:

The Public Defender's Office did not have adequate segregation of accounting functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Public Defender's Office.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

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Schedule of Prior and Current Year Findings and  
Management's Corrective Action Plan (continued)  
For the Year Ended June 30, 2019

Management's Corrective Action Plan:

Mr. Thomas H. Gernhauser, Interim Chief District Public Defender, has determined that it is not feasible to achieve adequate segregation of functions within the accounting department. No plan is considered necessary.

Compliance

There were no findings that are required to be reported at June 30, 2019.

Management Letter Items

There are no findings that are required to be reported at June 30, 2019.

**ATTESTATION REPORT AND  
QUESTIONNAIRE**

# Champagne & Company, LLC

Certified Public Accountants

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Thomas H. Gernhauser  
Interim Chief District Public Defender  
Twenty-Fifth Judicial District of the State of Louisiana  
Public Defender's Office  
Belle Chasse, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Twenty-Fifth Judicial District of the State of Louisiana Public Defender's Office and the Louisiana Legislative Auditor (the specified parties), on the Public Defender's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Public Defender's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### *Public Bid Law*

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year which exceeded \$30,000 for materials and supplies, or \$157,700 for public works.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

3. Obtain a list of all employees paid during the period under examination.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees' names appear on both lists obtained in procedures 2 and 3.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of employees' or employees' immediate families appeared as vendors on the list of disbursements.

*Budgeting*

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and amended budget.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The Twenty-Fifth Judicial District of the State of Louisiana Public Defender's Office is not required to have meetings as required by R.S. 42:11 through 42:28; therefore, there is no minute book. The original budget was approved by the Chief District Public Defender. The amended budget was approved by the Interim Chief District Public Defender.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year did not exceed budgeted amounts by more than 5%.

*Accounting and Reporting*

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six selected disbursements were properly coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements were approved in accordance with management's policies and procedures.

#### *Meetings*

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The Twenty-Fifth Judicial District of the State of Louisiana Public Defender's Office is not required to have meetings as required by R.S. 42:11 through 42:28; therefore, there are no agendas.

#### *Debt*

11. Obtain bank deposits slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

#### *Advances and Bonuses*

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees that would constitute bonuses, advances, or gifts. The Public Defender's Office does not maintain minutes; therefore, there are no minutes to examine.

#### *State Audit Law*

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Public Defender's office provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The management of the Public Defender's Office represented the Public Defender was in compliance with R.S. 24:513 (the audit law). Management further represented that the Public Defender did not enter into any contract that utilized state funds as defined in R.S. 39:72.1 A. (2).

*Prior Year Comments and Recommendations*

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

See the summary schedule of current and prior year findings and management's corrective action plan for any comments or unresolved matters.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Controller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Public Defender's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Public Defender's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
December 6, 2019

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

8/16/2019 (Date Transmitted)

CHAMPAGNE & COMPANY, LLC (CPA Firm Name)  
113 EAST BRIDGE STREET (CPA Firm Address)  
BREAUX BRIDGE, LA 70517 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of JUNE 30, 2019 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [ ] No [ ] [N/A]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No [ ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No [ ]

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No [ ]

The previous responses have been made to the best of our belief and knowledge.

M Buie

Secretary

8/16/19

Date

Treasurer

[Signature]

President

8/23/19

Date

Interim District Defender