

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
LAFOURCHE PARISH, LOUISIANA**

FINANCIAL REPORT

For the Year Ended June 30, 2017

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
FINANCIAL REPORT**

For the Year Ended June 30, 2017

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**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

Our discussion and analysis of the Seventeenth Judicial District Office of the Indigent Defenders' (The Office's) financial performance provides a narrative overview of the financial activities for the year. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Government-Wide Financial Statements (GWFS) - The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and present a longer-term view of the finances. Fund Financial Statements (FFS) – The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

The Statement of Net Assets Position and the Statement of Activities report information about the Office as a whole and about its activities. These statements include all assets and deferred outflows of resources and liabilities and deferred inflow of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position of the entity and its change. You can think of the net position—the difference between assets and deferred outflows and liabilities and deferred inflows—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net position is one indicator of whether its financial health is improving or deteriorating.

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Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not the Office's operations as a whole. Some funds are required to be established by State laws. Other funds are established to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The Office utilizes only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at the period-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations at the bottom and following the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this period's operations:

- Net position of our governmental funds decreased by \$39,133 or approximately 13.3%.
- During the year, expenses of \$842,136 were \$39,133 more than the \$803,003 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance (all considered unassigned) of \$238,818. Fund balance for governmental activities decreased by \$24,181 from the prior period - \$262,999.

The Statement of Net Position and the Statement of Activities reports governmental activities. All of the basic judicial services are reported as this type. Fines and fees charged to the public finance most of these activities.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE (GWFS)

The net position was \$255,638 at the end of the current fiscal year, which was a 13.3% decrease from the prior fiscal year. Following is a summary of the government-wide Statement of Net Position:

	2017	2016	Dollar Change	Total Percent Change
Current and Other Assets	\$ 262,534	\$ 271,884	\$ (9,350)	-3.4%
Capital Assets	4,198	1,602	2,596	162.0%
Total Assets	266,732	273,486	(6,754)	-2.5%
Deferred outflows of resources	79,555	113,789	(34,234)	-30.1%
Current liabilities	17,539	-	17,539	100.0%
Long-term liabilities	56,873	77,816	(20,943)	-26.9%
Total Liabilities	74,412	77,816	(3,404)	-4.4%
Deferred inflows of resources	16,237	14,688	1,549	10.5%
Net Investment in Capital Assets	4,198	1,602	2,596	162.0%
Unassigned	251,440	293,169	(41,729)	-14.2%
Total Net Position	\$ 255,638	\$ 294,771	\$ (39,133)	-13.3%

Unrestricted net position—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed the majority of the change for the period under audit. The balance in net position - \$255,638 represents the accumulated results of all past periods' operations.

As a result of this year's operations, net position decreased by \$39,133, an indication that its financial position declined during the year. Following is a summary of the government-wide Statement of Activities:

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

	2017	2016	Dollar Change	Total Percent Change
Total program expenses	\$ (842,136)	\$(810,601)	\$(31,535)	-3.9%
Total program revenues	794,488	843,094	(48,606)	-5.8%
Net program income	(47,648)	32,493	(80,141)	-9.7%
General revenues	8,515	7,085	1,430	20.2%
Change in Net Position	(39,133)	39,578	(78,711)	10.5%
Net Position:				
Beginning of the year	294,771	255,193	39,578	15.5%
End of the year	<u>\$ 255,638</u>	<u>\$ 294,771</u>	<u>\$(39,133)</u>	-13.3%

The decrease was mainly due to program expenses exceeding program revenues by \$47,648. The entity received an operating grant from the state of \$267,956.

The total revenues for the year in governmental activities were \$803,003 (\$526,532 in charges for services; \$267,956 in operating grants and contributions; and \$8,515 in investment earnings and other revenues).

The total cost of all judicial programs and services was \$842,136 which was a 3.9% decrease from the prior fiscal year (\$810,601).

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (FFS)

The Office utilizes funds to control and manage money for particular purposes. Reviewing individual funds provides the information to determine if an entity is being accountable for the resources provided and may also give you more insight into the overall financial health.

The general fund reported an ending fund balance of \$238,818 – all considered unassigned. This reflects an decrease of \$24,181 from the prior period. This decrease is primarily due to the same results described within the analysis of the governmental activities.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2017**

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year. Estimated revenues and expenditures reported favorable variances.

CAPITAL ASSETS

The Office investment in capital assets, net of accumulated depreciation, for governmental activities was \$4,198.

This year, there was \$4,133 in additions and \$79,819 dispositions in capital assets. Depreciation expense of \$1,536 was charged to the governmental fund. More detailed information about the capital assets is presented in Note 6 to the financial statements.

LONG TERM LIABILITIES

The Office recorded the Net Pension Liability in the amount of \$56,873 in the current year in accordance with the implementation of GASB 68. More detailed information about the long-term liability is presented in Note 7 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2018 budget were:

1. any changes in rates and fees for the next fiscal year
2. personnel and benefit changes
3. any new laws and regulations enacted that would apply to the upcoming year
4. any new revenue sources or expenditures not previously encountered.

Highlights of next year's adopted budget for the general fund include:

Projected Beginning Balance	\$238,818
Anticipated Income for 2018	900,000
Anticipated Expenditures for 2018	990,000
Excess Expenditures over Revenues	(90,000)
Projected Ending Balance	\$148,818

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS**
For the Year Ended June 30, 2017

CONTACTING THE OFFICE 'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Office's finances and to show the Office's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Mark Plaisance, Chief Defender
Seventeenth Judicial District Office of the Indigent Defenders
204 Green Street
Thibodaux, LA 70301

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Seventeenth Judicial District
Office of the Indigent Defenders
Lafourche Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defender Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Seventeen Judicial District Office of the Indigent Defender's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head as listed as other supplementary information in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 26, 2017, on our consideration of the Seventeenth Judicial District Office of the Indigent Defenders' 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 internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* in considering the office's internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
December 26, 2017



**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Statement of Net Position
June 30, 2017

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 214,083
Due from other governments	42,274
Prepaid items	6,177
Total current assets	262,534
Noncurrent assets:	
Capital assets, net of depreciation	4,198
Total assets	\$ 266,732
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - contributions	15,589
Deferred outflows of resources - other	63,966
Total deferred outflows of resources	79,555
 LIABILITIES	
Accounts payable	\$ 17,539
Total current	17,539
Long-term:	
Net Pension liability	56,873
Total liabilities	74,412
 DEFERRED INFLOWS OF RESOURCES	 16,237
 NET POSITION	
Net invested in capital assets	4,198
Unrestricted	251,440
Total net position	\$ 255,638

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Statement of Activities
For the Year Ended June 30, 2017

Expenses:

Governmental activities - General government - Judicial:	
Personnel services	\$ 417,004
Related benefits	86,119
Panel attorneys and witness fees	259,855
Law library	9,627
Legal and accounting	6,692
Insurance	11,771
Office supplies	10,597
Repair & Maintenance	1,038
Dues and subscriptions	77
Travel, conventions, and training	3,215
Rent	26,050
Telephone	8,555
Depreciation	1,536
Total program expenses	<u>842,136</u>

Program revenues:

Charges for services	526,532
Operating grants and contributions	267,956
Total program revenue	<u>794,488</u>
Net program revenue	<u>(47,648)</u>

General revenues:

Unrestricted investment earnings	1,605
Revenue from nonemployer contributing entities	5,294
Other	1,616
Total general revenues	<u>8,515</u>
Increase (Decrease) in net position	(39,133)

Net position:

Beginning of the year	294,771
End of the year	<u>\$ 255,638</u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Balance Sheet - Governmental Fund
June 30, 2017

	General Fund
ASSETS	
Cash and cash equivalents	\$ 214,083
Due from other governments	42,274
TOTAL ASSETS	\$ 256,357
 LIABILITIES AND FUND EQUITY	
Accounts Payable	\$ 17,539
TOTAL LIABILITIES	17,539
 Fund balances -	
Unassigned	238,818
TOTAL LIABILITIES AND FUND EQUITY	\$ 256,357
 RECONCILIATION TO STATEMENT OF NET POSITION:	
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources	4,198
Prepaid expenses (assets) consumed in governmental activities are not financial resources when reported as expenditures in the funds:	
Prepaid Insurance, rent & fees	6,177
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds	
Net Pension Liability	(56,873)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows of resources - contributions	15,589
Deferred outflows of resources - other	63,966
	79,555
Deferred inflows of resources related to pensions	(16,237)
Net position of governmental activities	\$ 255,638

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund

For the Year Ended June 30, 2017

REVENUES	
Court cost on fines and forfeitures	\$ 513,937
Restitution	12,595
Intergovernmental	267,956
Interest Income	1,605
Other	1,616
TOTAL REVENUES	797,709
 EXPENDITURES - JUDICIAL:	
Current:	
Salaries and related benefits	417,004
Related benefits	65,985
Panel attorneys and expert witness fees	259,855
Law library	9,627
Legal and accounting	6,692
Insurance	9,063
Office supplies	10,597
Repairs and maintenance	1,038
Dues and subscriptions	77
Travel, conventions, and training	3,215
Rent	26,050
Telephone and utilities	8,555
Total current expenditures	817,758
Capital outlay	4,132
TOTAL EXPENDITURES	821,890
 NET CHANGE IN FUND BALANCE	 (24,181)
FUND BALANCE:	
Beginning of year	262,999
End of year	\$ 238,818

See notes to the financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances - governmental fund (FFS)		\$ (24,181)
Amounts reported for <i>governmental activities</i> in the statement of activities (GWFS) are different because:		
Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.		
Capital outlay	4,132	
Depreciation expense	<u>(1,536)</u>	2,596
Prepaid expenses (assets) consumed in governmental activities are not financial resources when reported as expenditures in the funds		
Decrease in Prepaids		(2,708)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee as pension expense.contributions is reported		
Revenue from non-contributing entities	5,294	
District Pension Contributions	34,778	
Cost of benefits earned net of employee contributions	<u>(54,912)</u>	(14,840)
Change in net assets of governmental activities (GWFS)		<u><u>\$ (39,133)</u></u>

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

INTRODUCTION

The Seventeenth Judicial District Office of Indigent Defenders (the Office) was established in compliance with Louisiana Revised Statutes 15:144-149. Pursuant to the passage of Act 307, district indigent defender boards throughout the State of Louisiana were dissolved and district offices of public defender were created, all serving under the direction of the Louisiana Public Defender Board headquartered in Baton Rouge. This change went into effect August 15, 2007. This local office now functions as the Seventeenth Judicial District Office of Indigent Defenders under the supervision of a District Director (domiciled with the Seventeenth District) in charge of day to day operations, serving the Seventeenth Judicial District. Its purpose is to provide and compensate legal counsel appointed to represent indigents in criminal and quasi-criminal cases before the Seventeenth Judicial District Courts and the City Court of Thibodaux. The judicial district encompasses the Parish of Lafourche.

Revenues to finance the Office's operations are provided primarily from court cost, fines and forfeitures of bonds imposed by the courts, as well as intergovernmental grants from the State of Louisiana Public Defender Board. The Office employs ten employees who include the chief district defender, five assistant indigent defenders, an office manager, and three secretaries.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity", sets forth the standards for defining and presenting the reporting entity in financial statements. To fairly present the financial position and results of operations of the financial reporting entity, a government must determine whether its reporting entity consists of only the legal entity known as the "primary government" or one or more organizations called "component units."

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting entity

According to GASBS No. 14, the Seventeenth Judicial District Office of the Indigent Defenders is considered a component unit of the Louisiana Public Defender Board. The District Director's authority is contingent upon the approval of the Louisiana Public Defender Board, who appointed and may relieve the District Director of his duties.

Inclusion of a "potential component unit" in the primary government's reporting entity depends on whether the primary government is financially accountable for the potential component unit. The key criteria for deciding financial accountability are any one of the following:

- a. Fiscal dependency of the potential component unit on the primary government, or
- b. The primary government appoints a voting majority of the potential component unit's governing body and:
 1. the primary government can impose its will on the potential component unit and/or
 2. a financial benefit/burden relationship exists between the primary government and the potential component unit; or
- c. The primary government's financial statements would be misleading or incomplete if the potential component unit were excluded.

The Office's financial statements include all funds and activities et cetera, that are within the oversight responsibility of the Seventeenth Judicial District. Other local governments over which the Seventeenth Judicial District Office of the Indigent Defenders exercises no oversight responsibility are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the Office.

C. Fund accounting

The Office's accounts are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Office reports the General Fund as a governmental fund. The General Fund is the entity's primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in another fund.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities. Governmental activities are reported separately from business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Court costs, fines, forfeitures, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when it is received by the government.

E. Deposits

Cash includes amounts in interest-bearing demand deposits. Under state law, the Office may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under laws of the United States.

F. Capital assets

Capital assets that include property, plant and equipment, are capitalized at historical cost or estimated cost and depreciated over their estimated useful lives. Donated assets are recorded as capital assets at their fair market value at the date of donation. The Office has a policy of a threshold level of \$300 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

- | | |
|-------------|------------|
| • Equipment | 3-10 years |
| • Furniture | 5 years |
| • Law books | 5 years |

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated absences

Employees of the Office receive five (5) to twenty (20) working days of sick leave depending on their years of service and two (2) weeks to three (3) weeks of vacation leave each year after the employee has been employed for a period of twelve months, depending on their years of service. Unused leave may not be accumulated and is not paid upon termination or retirement; therefore, there are no leave benefits that are required to be reported.

H. Equity

Net Position – Government -wide

For the government-wide statement of net position, net position is reported in three components:

1. Net investment in capital assets – consists of capital assets net of accumulated depreciation.
2. Restricted – consists of net position with constraints placed on the use by law through constitutional provisions, enabling legislation, or externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
3. Unrestricted - All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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 amounts of revenues, expenditures, expenses during the reporting period. Actual results could differ from those estimates.

J. Pension Plans

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 ("the Plan"), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Office has multiple items that qualify for reporting in this category:

- The Deferred Outflow of resources related to pension contributions. This deferred charge is the amount of the contributions paid after the pension plan measurement dates (December 31, 2016) with regards to GASB 68. These employer contributions from January 2017-June 2017 were \$15,589. This amount will be amortized using a straight line amortization method over a period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

Note 1 Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources (continued)

- Another amount in the deferred outflows category is the deferral of other pension liability related outflows. This deferred charge is the proportionate share of deferred outflows at December 31, 2016 (the pension plan measurement date), which includes the changes in employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date and were recognized in the Office's pension expense/(benefit) using a straight amortization method over a period equal to the average of the expected remaining services lives (4 years) of all employees that are provided pensions through the pension plan. The change in proportion was \$404 for the current measurement period.
- This category also includes the differences between projected and actual investment earning on pension plan investments which were recognized as pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives (5 years) of the employees in the pension plans. The differences between projected and actual investment earnings on the pension plan investment accounts for \$56,873.
- Changes in assumptions about future economic or demographic factors which were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pension through the plan. The changes of assumptions or other inputs resulted in deferred outflows of resources as of December 31, 2016 of \$6,783. Total deferred outflows of resources-other is \$63,966.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow line item relates to the implementation of GASB 68. The deferred inflow of \$16,237 is for the proportionate share of the differences between the expected and actual experience with regard to economic or demographic factors. The measurement of the total pension liability was recognized in pension expense using the straight-line amortization method over a period equal to the average of the expected remaining service lives of all employees that are provided with pension through the pension plans.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 2 BUDGETS

A balanced operating budget is prepared by the District Director and the Financial Officer. This took place in June 2016 and was not amended for the year. The budget may be amended during the year as conditions dictate so long as it remains in balance. The original budget was not amended during the year. The current fiscal year budget reflect favorable revenue and expenditures variances.

NOTE 3 DEPOSITS

Deposits (demand deposits, interest bearing demand deposits, time deposits, and certificates of deposit) are recorded at cost, which approximates fair value. The reported amount of deposits is as follows:

ACCOUNT	
Capital One interest-bearing checking account	\$ 109,249
South Lafourche Bank certificate of deposit	104,834
TOTAL	\$ 214,083

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

For the year ended, the Office had \$218,037 in deposits (collected bank balances). These deposits are secured fully by federal deposit insurance; therefore, none of the deposits were exposed to custodial credit risk.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 4 DUE FROM OTHER GOVERNMENTS

The balance due from other governments of \$42,274 is for court cost, fines and forfeitures fees collected and due from other governmental entities as follows:

Lafourche Parish Sheriff	\$33,474
City Court of Thibodaux	\$ 8,800

NOTE 5 PREPAIDS

The following items and amounts were considered prepaid for Government-Wide financial reporting:

Insurance	<u>\$ 6,177</u>
Total	<u>\$ 6,177</u>

NOTE 6 CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year is as follows:

Governmental activities	Furniture, Equipment, And Library
Total Cost of assets at June 30, 2016	\$ 121,472
Additions	4,132
Deletions/Adjustments	79,819
Total Cost of assets at June 30, 2017	45,785
Less: Accumulated Depreciation	(41,587)
Total capital assets, net	\$ 4,198

Depreciation expense of \$1,536 was charged to governmental activities.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN

The Office has adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

Plan Description and Provisions

All full-time employees are members of the Parochial Employees Retirement System of Louisiana (PERS) 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 Statutes (LRS), through 2025. The (PERS) was originally established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana. A Board of Trustees, an Administrative Director, an Actuary and Legal Counsel operate the System. The System provides retirement benefits to an employee of taxing districts of a parish or any branch or section of a parish within the State which does not have their own retirement system and elect to become members of the System. All members of the (PERS) are participants in either Plan A or Plan B. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

All permanent eligible government employees 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. The Office participates in Plan B. The types of benefits provided under this plan include:

Retirement Benefits

Any members can retire providing he/she meets one of the following criteria, if they were hired prior to January 1, 2007:

- Age 55 with 30 years of creditable service.
- Age 60 with a minimum of 10 years of creditable service.
- Age 65 with a minimum of 7 years of creditable service

If members were hired after January 1, 2007, a member can retire providing he/she meets one of the following criteria:

- Age 55 with 30 years of service
- Age 62 with 10 years of service
- Age 67 with 7 years of service

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent 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

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with 20 or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than 12 months immediately preceding the death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan Benefits

In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) for up to 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 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.

Disability Benefits

A member hired prior to January 1, 2007 shall be eligible to retire and to receive a disability benefit if he/she has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. If a member was hired after January 1, 2007, shall be eligible to retire and to receive disability benefit if he/she has at least seven years of creditable service.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

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 sixty-five 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 retiree 62 and older. (R.S. 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.

Contributions

Contributions by employers are actuarially determined each year. For the year ended December 31, 2016, the employer's actuarially determined contribution rate was 7.20%, however, the actual rate was 8.0%. Member contributions are established by state statute at 3% of compensation for Plan B members. The contributions are deducted from the member's salary and remitted by the participating employer. Contributions to the pension plan totaled \$33,198 for the year ended June 30, 2017.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes except Orleans and East Baton Rouge parishes. The system also received revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue 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-contributing entities, but are not considered special funding situations.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2017, the Office reported a total of \$56,873 for its proportionate share of the net pension liability of the Parochial Employees Retirement System of Louisiana (PERS).

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016 and December 31, 2015, the proportion of the plan was as follows:

<u>Plan</u>	<u>Proportionate share</u>	
	<u>12/31/16</u>	<u>12/31/15</u>
PERS	.437930%	.483706%

For the fiscal year ended June 30, 2017, the Office recognized pension expense as follows:

<u>Plan</u>	<u>Pension expense</u>
PERS	\$ 21,134

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

Deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources:

<u>Plan</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<u>PERS</u>		
Changes in proportion	\$ 404	\$ 4
Changes of Assumption	6,783	
Differences between expected and actual experience	-	16,233
Net difference between projected and actual earnings on pension plan investments	56,779	-
Office's contributions subsequent to the measurement date	<u>15,589</u>	<u>-</u>
	<u>\$ 79,555</u>	<u>\$ 16,237</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$ 15,976
2018	19,742
2019	13,612
2020	(1,601)

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

Actuarial assumptions:

The total pension liabilities in the December 31, 2015, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

<u>Plan</u>	<u>PERS</u>
Inflation	2.50%
Salary increases	5.25%
	(2.75%
	Merit/2.50%
	Inflation)
Investment rate of return	7.00%
Actuarial cost method	Entry age normal
Expected remaining service lives	4 years

The Cost of Living Adjustments were 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 rates for PERS were based on the RP-2000 Employee Sex Distinct Table for active members, RP-2000 Healthy Annuitant Table for healthy annuitants and beneficiaries, and RP-2000 Disabled Lives Mortality Tables for disabled annuitants.

The discount rate were determined based on expected cash flows which assume that contributions from plan members will be made at current contribution rates and that contributions from the Office and the non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Plans' 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 plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

The long term expected rate of return on pension plan investments was determined using a triangulation method which integrates CAPM 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 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 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real assets	2%	0.12%
Totals	100%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

Sensitivity of the of the Office's proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the Office's proportionate shares of the net pension liabilities of the plan, calculated using the discount rates as shown above, as well as what the Office's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u> 6.00%	<u>Current Discount Rate</u> 7.00%	<u>1% Increase</u> 8.00%
PERS (current rate 7.00%)	\$216,215	\$ 56,873	\$ (77,634)

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 7 PENSION PLAN (Continued)

Pension plan fiduciary net position:

Detailed information about the Plans' fiduciary net position is available in the separate issued financial statements of the Plans. The Parochial Employees' Retirement System issues a stand-alone audit report on its financial statements for the year ended December 31, 2016. Access to the audit report can be found on the System's website: www.persla.org or on the Office of the Louisiana Legislative Auditor's official website: www.la.state.la.us.

Support of Non-employer contributing entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Office recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employers contributing entities. During the year ended June 30, 2017, the Office recognized revenue as a result of support received from non-employer contributing entities of \$5,294 for its participation in PERSL.

Payables to the pension plans:

At June 30, 2017, there were amounts due to the pension plan for employer and employee required contributions totaling \$10,540 which were paid on July 13, 2017.

NOTE 8 RISK MANAGEMENT

The Office is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; injuring to employees. The Office purchased commercial insurance policies for any and all claims relating to the above types of risks. The Office's is liable for the payment of the deductible associated with the above types of risks. Settlements have not exceeded insurance coverage in any of the three preceding years.

NOTE 9 OPERATING LEASE

The Seventeenth Judicial District Office of the Indigent Defenders entered into an operating lease to rent a building located at 204 Green Street on August 26, 2016 for a six year period commencing on September 1, 2016 through September 30, 2022 at a monthly rental rate of \$2,450.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2017**

NOTE 10 GOVERNMENTAL FUND REVENUES AND EXPENDITURES

Louisiana Revised Statute (R.S.) 24:515.1 requires the Louisiana Legislative Auditor to develop a uniform format for audit reports to assist district public defenders in reporting all major sources of revenue and expenditures. The following is the required information in that format:

Revenues:

State Government			
Grants		\$ 267,956	
	Total		\$ 267,956
Local Government			
Statutory fines, forfeitures, fees, court costs and other		526,532	
	Total		526,532
Investment Earnings			1,605
Miscellaneous			1,616
	Total Revenues		<u>\$ 797,709</u>

Expenditures:

Personnel Services and Benefits			
Salaries		\$ 417,004	
Retirement Contributions		33,731	
Payroll taxes		32,254	
	Total		\$ 482,989
Professional Development			
Dues, licenses, and registrations		77	
Travel and training		3,215	
	Total		3,292
Operating Cost			
Library and research		9,627	
Contract Services - Attorney/Legal		259,855	
Contract Services - Other		6,692	
Lease - Office		26,050	
Insurance		9,063	
Supplies		10,597	
Repairs and Maintenance		1,038	
Utilities and telephone		8,555	
	Total		331,477
	Total Expenditures		<u>\$ 817,758</u>

***REQUIRED SUPPLEMENTARY
INFORMATION***

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget**</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES				
Court cost on fines and forfeitures	514,500	\$ 514,500	\$ 513,937	\$ (563)
Restitution	10,000	10,000	12,595	2,595
Intergovernmental	264,766	264,766	267,956	3,190
Interest Income	125	125	1,605	1,480
Other	-	-	1,616	1,616
Total revenues	<u>789,391</u>	<u>789,391</u>	<u>797,709</u>	<u>8,318</u>
EXPENDITURES				
Current- Judicial				
Salaries	443,000	443,000	417,004	25,996
Related benefits	49,330	49,330	65,985	(16,655)
Panel attorneys	249,170	249,170	258,300	(9,130)
Law library	12,000	12,000	9,627	2,373
Legal and accounting	5,691	5,691	6,692	(1,001)
Attorney & Investigation expense -				
Major felonies & capital cases	52,500	52,500	1,555	50,945
Insurance	13,500	13,500	9,063	4,437
Office supplies	8,300	8,300	10,597	(2,297)
Repairs and maintenance	3,000	3,000	1,038	1,962
Dues and subscriptions	500	500	77	423
Expert & professional testimony	20,000	20,000	-	20,000
Travel, conventions, and training	3,500	3,500	3,215	285
Rent	29,400	29,400	26,050	3,350
Telephone and utilities	9,500	9,500	8,555	945
Total current expenditures	<u>899,391</u>	<u>899,391</u>	<u>817,758</u>	<u>81,633</u>
Capital outlay	-	-	4,132	(4,132)
Total expenditures	<u>899,391</u>	<u>899,391</u>	<u>821,890</u>	<u>77,501</u>
NET CHANGE IN FUND BALANCE	(110,000)	(110,000)	(24,181)	85,819
FUND BALANCE:				
Beginning of the year	262,999	262,999	262,999	-
End of the year	<u>\$ 152,999</u>	<u>\$ 152,999</u>	<u>\$ 238,818</u>	<u>\$ 85,819</u>

** The Budget was not amended during the fiscal year.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
Last Ten Fiscal Years*
Parochial Employees Retirement System- Plan B**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY:

	06/30/16 December 31, 2015	06/30/17 December 31, 2016
Mesaurement Date		
Proportion of the net pension liability	0.483706%	0.437930%
Proportionate share of the net pension liability	\$ 77,816	\$ 56,873
Covered employee payroll	\$ 432,025	\$ 436,121
Proportionate share of the net pension liability as a percentage of its covered employee payroll	18.01%	13.04%
Plan fiduciary net position as a percentage of the total pension liability	93.48%	95.50%

SCHEDULE OF CONTRIBUTIONS:

Contractually required contribution	\$ 36,722	\$ 33,206
Contributions paid	(36,722)	(33,206)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 432,025	\$ 415,084
Contribution as a percentage of covered	-8.50%	-8.00%

Note: Initial Year of GASB 68 Implementation is 2015, Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information:

Changes of Benefit Terms include:

There were no changes of benefit terms for the year ended June 30, 2015 or 2016.

Changes of Assumptions

There were no changes of assumptions for the year ended June 30, 2015.

For the year ending June 30, 2016 (measurement date December 31, 2015), amounts reported reflect an adjustment in the discount rate used to measure the total pension liability. The rate was reduced by .25% to 7.00%. Other changes are noted as follows:

Valuation Date	December 31, 2015	December 31, 2016
Inflation Rate	2.50%	2.50%
Project Salary Increases	5.25%	5.25%
	(2.5% Inflation, 2.75% Merit) (2.5% Inflation, 2.75% Merit)	

***OTHER SUPPLEMENTARY
INFORMATION***

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2017

Agency Head Name: Mark D. Plaisance, Chief Indigent Defender

Purpose	Amount
Salary	\$76,000
Benefits - FICA & Medicare	\$5,814
Benefits - retirement	\$6,080
Contract Labor	\$0
Car Allowance	\$0
Vehicle provided by government	\$0
Per Diem	\$0
Reimbursements	\$105
Travel	\$681
Registration fees	\$0
Conference travel	\$0
Continuing professional education fees	\$388
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$55
Fuel	\$0
Dues - LACDL Membership	\$75
Cell Phone	\$0
Other	\$0

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's 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

Seventeenth Judicial District
Office of the Indigent Defenders
Lafourche Parish, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and major fund of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defender Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Seventeenth Judicial District Office of the Indigent Defenders' basic financial statements, and have issued our report thereon dated December 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Seventeenth Judicial District Office of the Indigent Defenders' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the Seventeenth Judicial District Office of the Indigent Defenders' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Seventeenth Judicial District Office of the Indigent Defenders' 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
December 26, 2017



TOWN OF LOCKPORT

**Statewide Agreed Upon Procedures Report
With Schedule of Findings and Management's Responses**

***As of and for the Year Ending
June 30, 2017***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Mr. Mark D. Plaisance, Chief Attorney
Of the Seventeenth Judicial District Office of Indigent Defenders
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Office of the Seventeenth Judicial District Office of Indigent Defenders and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are described in the following schedule.

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 those C/C areas identified in the SAUPs. 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 those C/C areas identified in the SAUPs, 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 LLA as a public document.

Stagni & Company

Thibodaux, Louisiana
December 26, 2017

**Seventeenth Judicial District Office of Indigent Defenders
Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
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The required procedures and our findings are as follows:

Procedures performed on the written policies and procedures:

1. Obtain the written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - c) **Disbursements**, including processing, reviewing, and approving
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - d) **Receipts**, including receiving, recording, and preparing deposits
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
Management's response: Not applicable.

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on the written policies and procedures (continued):

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Performance: Obtained and read the written policy for contracting.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable – there is no debt service policy required.

**Seventeenth Judicial District Office of Indigent Defenders
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There is no Board, therefore the procedures required for Board is not applicable.

Procedures performed on the bank reconciliations:

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Performance: Obtained the listing of bank accounts from management, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Performance: Selected 1 bank accounts out of a total of 1 accounts. Inspected bank reconciliations prepared for each month.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Performance: Inspected bank reconciliations (or statements for bank accounts that reconciliation were not prepared) for written approvals.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Performance: Inspected bank reconciliations for items outstanding for more than 6 months.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the collections:

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Performance: Obtained the listing of cash/check/money order (cash) collection locations from management, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on the collections (continued):

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Performance: Inquired for each of the cash collection locations selected as to all of the requirements listed above.

Exceptions: For the collection location tested, most of the time the same person makes collections and deposits, (the Office manager) at that location. Two employee's initials are required on all cash received.

Management's response: The entity is too small to completely separate duties and has compensating controls in order to monitor receipt collections.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Performance: Obtained the written policies that outlined the reconciliation of cash collections and inquired of separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Performance: Traced collections from the highest dollar week of the cash collections to the deposit date on the corresponding bank statement noting number of days from receipt to deposit for each day at each collection location.

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on the collections (continued):

- **Exceptions:** There was 1 exceptions noted for a collection of \$100 deposited 3 days after collection (over a weekend).
- **Management's response:** Management's policy is to make deposits at least weekly.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Performance: Inspected sequentially numbered receipts, the journal of cash receipts and deposit slips from the bank. Noted that all collections are supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

Performance: Inspected the written policy, and inquired of management as to separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the disbursements:

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Performance: Obtained the listing of disbursements, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on the disbursements (continued):

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Performance: Randomly selected 25 disbursements from the list provided. Inquired of management and reviewed the written policies on requisition/purchase orders and how invoices are approved for payment.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

Performance: Reviewed written policy and inspected documents for purchase approval.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Performance: Reviewed written policy and inspected documents for purchase approval.

Exceptions: All invoices reviewed from January-June 2017 there was no written approval for payment on the invoices.

Management's response: Management will consider addressing the issue in its written policy manual.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Performance: Obtained and inspected the written policies, and inquired of management as to separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Performance: Inspected the written policy, and inquired of management as to separation of duties to determine if persons with authorization for disbursements have no responsibility for initiating or recording purchases.

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on the disbursements (continued):

Exceptions: The District Defender or Office Manager may initiate purchases. The Office Manager records purchases. The District Defender approves disbursements. Both the District Defender and Office Manager's signature are required on each check.

Management's response: The entity is too small to completely separate duties and has compensating controls as per the policy manual.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Performance: Inquired of management, as well as observed that the all supplies of unused checks are maintained in a locked location.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Performance: Inquired of management the details of signing checks, and the controls over authorized signatures.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

Procedures performed on the credit cards, debit cards, fuel cards, p-cards:

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards including the above-mentioned information for each card, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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Procedures performed on the credit cards, debit cards, fuel cards, p-cards (continued):

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Obtained all monthly statements for all cards issued and observed for supporting documentation as well as approvals.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Performance: Reviewed all credit card statements for any late fees or finance charges.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 2 cards selected (i.e. each of the 2 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Performance: Observed documentation for the purpose of each transaction noting clear purpose as business/public. There were no transactions for meal charges.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

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Procedures performed on the credit cards, debit cards, fuel cards, p-cards (continued):

Performance: Observed written approvals of credit card transactions. Management reviews all transactions and then agrees to support before payment.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

Performance: Compared transaction detail to the Policy & Procedure Manual and Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions

Performance: Inspected all transactions for compliance with Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on the travel and expense reimbursements:

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Performance: Obtained a listing of all travel and related expense reimbursements including the above-mentioned information, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

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Procedures performed on the travel and expense reimbursements (continued):

Performance: Compared transaction detail to the written policy; and to the per diem and mileage rates established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Performance: Selected the 3 employees with the most travel costs during the period and the highest travel expenditure reimburse for each. Compared documentation to the applicable rates listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Performance: Traced each expense to the original itemized receipt with detail of reimbursement.

Exceptions: There were 2 instances for meals reimbursed that there was no itemized receipt for the purchase.

Management's response: Management will require strict adherence to the policy that all travel and expense reimbursements must have itemized receipts for each purchase.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Performance: Traced each expense to the original itemized receipt with detail of reimbursement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

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Procedures performed on the travel and expense reimbursements (continued):

Performance: Traced each expense to the original itemized receipt with documentation for reimbursement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Inspected all transactions for compliance with Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Inspected all transactions for documentation of review and approval in writing other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on contracts:

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Performance: Obtained a listing of all contracts, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

21. Using the listing above, select the 3 contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

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Procedures performed on contracts (continued):

Performance: Obtained a copy and reviewed 3 of the 4 contracts in effect for the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Performance: Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Performance: Compared each contract's detail noting whether the entity solicited quotes as a best practice.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Performance: Inspected contract and inquired of management whether the contract was amended. None of the contracts were amended during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Performance: Inspected contract to agree to the actual expenditure.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrson Act or Home Rule Charter).

Performance: Observed approval of contract by management.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on payroll and personnel:

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

Performance: Obtained a listing of employees with their related salaries, and received management's representation that it was complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Performance: Compared compensation from the approved pay letter in personnel folders with payments made to employees during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Performance: Observed the written policy and traced all salary adjustments approved in writing as per the policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Performance: Randomly selected one pay period to test leave taken during that period. Inspected 25 daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Performance: Reviewed documentation of daily attendance and leave records for proper approval.

Exceptions: There were no exceptions noted.

**Seventeenth Judicial District Office of Indigent Defenders
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Procedures performed on payroll and personnel (continued):

Management's response: Not applicable.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Performance: Reviewed documentation of daily attendance and leave records each employee eligible for leave.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Performance: Obtained list of terminated employees during the fiscal period and management's representation that the list is complete. Of the terminated employees, we traced the 2 employees with the largest termination payments to their personnel files to determine if payments were made in strict accordance with the written policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Performance: Reviewed payroll and retirement forms filed along with cancelled checks and EFT documentation for the fiscal year to determine if all forms were submitted to the proper agencies by the required deadlines.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on ethics:

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

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Procedures performed on ethics (continued):

Performance: Performed a search on the LA Ethics Board website for the 5 employees selected for compliance documentation certificates.

Exceptions: There were 3 exceptions noted.

Management's response: The lawyers have been instructed that henceforth the ethics requirement for legal continuing education does not replace the mandated Louisiana ethic's training course. Management will endeavor to ensure compliance.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Performance: Inquired of management whether any alleged ethics violations were reported during the fiscal year and management's representation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Procedures performed on debt service:

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Performance: No debt was issued during the fiscal period.

Exceptions: Not applicable.

Management's response: Not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Performance: Not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

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Procedures performed on debt service (continued):

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Performance: Not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

Other Procedures performed:

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Performance: Inquired of management whether any misappropriations of public funds or assets during the fiscal year and management's representation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired of management and observed such notice posted as required.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Performance: Inspected all procedures, and the results of such procedures and compared them to management's representation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.