

**TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana**

Financial Report

Year Ended June 30, 2019

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Champagne & Company, LLC

Certified Public Accountants

Russell F. Champagne, CPA, CGMA*
Penny Angelle Scruggins, CPA, CGMA*

Shayne M. Breaux, CPA
Kaylee Champagne Frederick, CPA

113 East Bridge Street
PO Box 250
Breaux Bridge, LA 70517
Phone: (337) 332-4020
Fax: (337) 332-2867

*A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

Mr. Richard Tompson, District Defender
Twenty-Fourth Judicial District Public Defender Office
Jefferson Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twenty-Fourth Judicial District Public Defender Office as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Public Defender Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The management of the Twenty-Fourth Judicial District Public Defender Office 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 the financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Twenty-Fourth Judicial District Public Defender Office, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 35-38 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, on our consideration of the Twenty-Fourth Judicial District Public Defender Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Twenty-Fourth Judicial District Public Defender Office's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 15, 2019

BASIC FINANCIAL STATEMENTS

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Statement of Net Position
June 30, 2019

ASSETS	
Current assets:	
Cash and interest bearing deposits	\$ 1,136,610
Noncurrent assets:	
Capital assets, net of depreciation	<u>3,141</u>
Total assets	<u>1,139,751</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>77,626</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and other payables	<u>15,197</u>
Noncurrent liabilities:	
Accrued annual & sick leave payable	10,507
Net pension liability	<u>86,317</u>
Total noncurrent liabilities	<u>96,824</u>
Total liabilities	<u>112,021</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>6,252</u>
NET POSITION	
Net Investment in capital assets	3,141
Unrestricted	<u>1,095,963</u>
Total net position	<u>\$ 1,099,104</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Statement of Activities
For the Year Ended June 30, 2019

Expenses	
Governmental Activities	
Attorney Fees	\$ 2,944,666
Salaries and related benefits	187,722
Other professional services	157,475
Operating services	134,508
Office supplies and expenses	<u>30,399</u>
Total expenses	<u>3,454,770</u>
Program Revenues	
Charges for services - court costs, fines, forfeitures, etc	2,522,850
Operating grants and contributions	<u>967,583</u>
Total program revenues	<u>3,490,433</u>
Net program revenue	<u>35,663</u>
General Revenues	
Nonemployer contributions	1,486
Interest earnings	33,789
Other	<u>12,832</u>
Total general revenues	<u>48,107</u>
Change in net position	83,770
Beginning net position	<u>1,015,334</u>
Ending net position	<u>\$ 1,099,104</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUND

MAJOR FUND

General Fund

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Balance Sheet - Governmental Fund
General Fund
June 30, 2019

ASSETS

Current Assets:	
Cash	<u>\$ 1,136,610</u>
Total assets	<u>\$ 1,136,610</u>

LIABILITIES AND FUND BALANCE

Current Liabilities:	
Accounts payable	\$ 4,175
Payroll liabilities	<u>11,022</u>
Total liabilities	<u>15,197</u>
Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>1,121,413</u>
Total fund balance	<u>1,121,413</u>
Total liabilities and fund balance	<u>\$ 1,136,610</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

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

Total fund balance for governmental funds	\$ 1,121,413
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Equipment, net of accumulated depreciation	3,141
The deferred outflows of expenditures are not a use of current resources, and are therefore not reported in the funds:	
Pension plan	77,626
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:	
Compensated absences	(10,507)
Net pension liability	<u>(86,317)</u> (96,824)
The deferred inflows of contributions are not available resources, and are therefore not reported in the funds:	
Pension plan	<u>(6,252)</u>
Total net position of governmental activities at June 30, 2019	<u>\$ 1,099,104</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

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

Revenues:	
Court costs	\$ 2,059,389
Intergovernmental revenue:	
Louisiana Public Defender Board	947,583
Bail bond forfeitures and license fees	401,404
Criminal justice bond fee	22,125
Application fees	39,932
Drug, DWI and Veterans court programs	20,000
Interest earnings	33,789
Other	<u>12,832</u>
Total revenues	<u>3,537,054</u>
Expenditures:	
Attorney fees	2,944,666
Salaries and related benefits	158,121
Other professional services	157,475
Operating services	133,770
Office supplies and expenses	30,399
Capital Outlay	<u>3,879</u>
Total expenditures	<u>3,428,310</u>
Excess of revenues over expenditures	108,744
Beginning fund balance	<u>1,012,669</u>
Ending fund balance	<u>\$ 1,121,413</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

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

Total net change in fund balance at June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 108,744		
The change in net position reported for governmental activities in the statement of activities is different because:			
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	3,879		
Depreciation expense	(738)		
Expenses not requiring the use of current financial resources and, therefore, not reported as expenditures in the governmental funds			
Net change in compensated absences payable	\$ (8,391)		
Net change in net pension liability and related deferreds	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; width: 60%; text-align: right;">(19,724)</td> <td style="border-bottom: 1px solid black; width: 40%; text-align: right;">(28,115)</td> </tr> </table>	(19,724)	(28,115)
(19,724)	(28,115)		
Total change in net position at June 30, 2019 per Statement of Activities	<u>\$ 83,770</u>		

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Twenty-Fourth Judicial District Public Defender Office (Public Defender Office) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

On August 15, 2007, Act 307 of the 2007 Louisiana Legislative Session transferred all the duties, functions, and powers of state Indigent Defender Boards to separate and individual District Public Defenders and their offices. District public defenders provide counsel to represent indigents in criminal cases at the district court level. The judicial district encompasses Jefferson Parish, Louisiana.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the public defender office is part of the district court system of the State of Louisiana. However, the state statutes that create the public defender office also give each district defender control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Therefore, the public defender's office reports as an independent reporting entity and the financial statements include only the transactions of the Twenty-Fourth Judicial District Public Defender Office as authorized by Louisiana statutes and administrative regulations. Furthermore, the Jefferson Parish Council does not include the Public Defender Office as a component unit in its comprehensive annual financial report. The Public Defender Office has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the only fund of the reporting entity which is the General Fund. The Public Defender Office has no business-type activities.

The statement of activities presents a comparison between program revenues of the Public Defender Office and the cost of the function. Direct expenses are those

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

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

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

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

The fund of the Public Defender Office which is considered to be a major fund is described below:

Governmental Fund –

General Fund

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the Public Defender Office's office and accounts for the operations of the Public Defender Office's office. The Public Defender Office's primary source of revenue is court costs on fines imposed by the various courts within the district. Other sources of revenue include forfeitures, operating grants from the Louisiana Public Defender Board and other court programs. General operating expenditures are paid from this fund.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized as soon as they are both “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. 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. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Public Defender Office’s policy to use restricted resources first, then unrestricted resources as they are needed.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

Cash includes amounts in an interest-bearing demand deposit account. Under state law, funds may be deposited into demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. 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: 5 years on office furniture, equipment and computers; 10 years on telephone system. Depreciation is an allocated expense in the Statement of Activities, with Accumulated Depreciation reflected in the Statement of Net Position. The Defender's threshold for capitalization is \$500.

Compensated Absences (Vacation and Sick Leave)

Full-time employees of the public defender's office earn and accumulate vacation and sick leave at various rates, depending on their length of service. All full-time employees may carry a maximum of 90 days of unused vacation leave from one calendar year to another. Upon separation from employment, and provided that certain conditions have been met as set forth in policy adopted by the public defender's office, employees are paid for all unused vacation leave at the hourly rates in effect at the time of separation from employment for each applicable employee.

All full-time employees earn one-half day of sick leave each biweekly pay period worked. There is no limit on the amount of sick leave that may be accumulated and carried forward from one year to the next. Upon separation from employment, employees who were hired before April 26, 1986, receive compensation for one-half of all unused sick leave remaining at the time of separation. Employees hired on or after April 26, 1986, receive compensation for no more than 40 days (280 hours) of unused sick leave.

The liability that the public defender's office has to its employees for accumulated vacation and sick leave is calculated by multiplying the applicable pay rate for each employee by the number of hours of leave time eligible for compensation at year-end. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as an expense in the current year.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

inflows of resources result from the delayed recognition of expenditures or revenue, respectively.

Equity Classifications

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

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

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

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

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

Committed: These are amounts that can be used only for specific purposes determined by a formal action of the public defender's office. The public defender's office is the highest level of decision making authority for the public defender's office. Commitments may be established, modified, or rescinded by the public defender's office.

Assigned: These are amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under its adopted policy, only the public defender may assign amounts for specific purposes.

Unassigned: These are all other spendable amounts.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

	General Fund
Nonspendable	\$ -
Restricted	-
Committed	-
Assigned	-
Unassigned	1,121,413
 Total	 \$ 1,121,413

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

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Public Defender's Office may deposit funds within a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Public Defender's Office may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2019, the Public Defender's Office has cash (book balances) totaling \$1,136,610.

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Bank balances	\$ <u>1,276,768</u>
At June 30, 2019 the deposits are secured as follows:	
Federal deposit insurance	1,276,768
Pledged securities	<u>-</u>
Total	<u>\$ 1,276,768</u>

No deposits were exposed to custodial credit risk as they were fully insured by federal deposit insurance. The Public Defender Office does not have a formal policy for custodial credit risk.

(3) Changes in Capital Assets

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

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Buildings	\$ -	\$ -	\$ -	\$ -
Equipment	100,774	3,879	-	104,653
Vehicles	-	-	-	-
Total capital assets	100,774	3,879	-	104,653
Less: accumulated depreciation	(100,774)	(738)	-	(101,512)
Capital assets, net	\$ -	\$ 3,141	\$ -	\$ 3,141

Depreciation expense for the year ended June 30, 2019 was \$738 and included with office supplies and expense.

(4) Leases

Operating leases are all leases that do not meet the criteria of capital leases.

There is an operating lease for a copier machine dated August 30, 2017 with a term of 39 months at \$435 per month.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

The total minimum annual commitments under non-cancelable operating leases are as follows:

Year Ended	Amount
June 30, 2020	\$ 5,215
June 30, 2021	2,175

Rent expense for the year ended June 30, 2019 was \$56,075.

(5) Changes in Compensated Absences

At June 30, 2019, employees of the office had accumulated and vested vacation and sick leave benefits, which were computed in accordance with GASB standards. Payments are made from the General Fund.

Balance, June 30, 2018	\$ 2,116
Additions	10,825
Deletions	(2,434)
Balance, June 30, 2019	\$ 10,507

(6) Risk Management

The public defender's office is exposed to risks of loss in the areas of general liability, professional liability and workers compensation. These risks are handled by purchasing insurance. There have been no reductions in insurance coverage during the current year, nor have settlements exceeded coverage during the current year or preceding two years.

(7) Office Costs Not Included in the Financial Statements

The accompanying financial statements do not include the costs for office space and utilities for the office on the east bank of the Mississippi River in Jefferson Parish's First Parish Court, nor for the office on the west bank in the Parish's Juvenile Court because neither court charges the District Defender for office space or utilities.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Litigation and Claims

As of June 30, 2019, the public defender's office is involved in one lawsuit. Liability has not been accrued in the financial statements, as management believes this suit will not adversely affect the financial statements. If a monetary judgement is rendered, it will be covered by professional liability insurance maintained by the public defender's office.

(9) Pension Plan / GASB 68

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

Summary of Significant Accounting Policies:

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

Basis of Accounting:

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

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

System Employees:

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

Plan Fiduciary Net Position:

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

Plan Description:

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

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

Benefits Provided:

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

Eligibility Requirements:

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

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three 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:

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

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

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

Deferred Retirement Option Plan:

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

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

Disability Benefits:

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

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 retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Employer Contributions:

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

According to state statute, the System also receives one-fourth of one percent of ad valorem taxes collected within respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue in the amount of \$1,486 and excluded from pension expense for the year ended June 30, 2019.

Employer Allocations:

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

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

Pension liabilities, Pension expense, Deferred outflows of resources, and Deferred inflows of resources related to pensions:

At June 30, 2019, the Public Defender's Office reported a liability of \$86,317 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Public Defender's Office's proportion of the Net Pension Liability was based on a projection of the Public Defender's Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the Public Defender's Office's proportion was 0.019448%, which was a decrease of 0.001511% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Public Defender's Office recognized pension expense of \$33,157 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$753.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 5,259
Changes of assumptions	21,582	-
Net difference between projected and actual earnings on pension plan investments	41,320	-
Change in proportion and differences between Employer contributions and proportionate share of contributions	2,024	993
Employer contributions subsequent to the measurement date	12,700	-
Total	\$ 77,626	\$ 6,252

Deferred outflows of resources of \$12,700 related to pensions resulting from the Public Defender's Office's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended	
2020	\$ 20,135
2021	\$ 11,169
2022	\$ 9,117
2023	\$ 18,253

Actuarial Assumptions:

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

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 7.43% for the year ended December 31, 2018.

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

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

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

Sensitivity of the employer's proportionate share of the net pension liability (asset) to changes in the discount rate:

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

	Changes in discount rate		
	1.0% Decrease	Current	1.0% Increase
	5.50%	Discount Rate 6.50%	7.50%
Employer's proportionate share of the net pension liability	\$ 183,315	\$ 86,317	\$ 5,236

Change in net pension asset:

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

- a. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in a deferred inflow of resources in the amount of \$5,259 for the year ended December 31, 2018.
- b. Changes of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$21,582 for the year ended December 31, 2018.
- c. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$41,320 for the year ended December 31, 2018.
- d. Change in proportion: Changes in the employer's proportionate shares of the collective net pension liability and collected deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense / (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$2,024 and a deferred inflow of resources in the amount of \$993 for the year ended December 31, 2018.

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Contributions – Proportionate Share:

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

Retirement System Audit Report:

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

Estimates:

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

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

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

Entity head: Richard M. Tompson, Public Defender

Salary	\$ 139,720
Cell phone	1,479
Dues	150
Registration fees	125
Conference travel	<u>77</u>
Total	<u>\$ 141,551</u>

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Governmental Fund Revenues and Expenditures

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

Revenues:

State Government

Appropriations - general	-	
Appropriations - special	\$ 947,583	
Revenue sharing	-	
Grants	-	
On-behalf payments	-	
Other	-	
	-	
Total		\$ 947,583

Local Government

Appropriations - general	-	
Appropriations - special	-	
Grants	20,000	
Statutory fines, forfeitures, fees, court costs, and other	2,530,450	
Taxes - millages, sales, special, etc.	-	
Criminal civil court	-	
On-behalf payments	-	
Other	5,232	
	2,555,682	
Total		2,555,682

Federal Government

Grants - direct	-	
Grants - indirect (passed-through)	-	
	-	
Total		-

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues (Continued):

Other Grants and Contributions

Nonprofit organizations	-
Private organizations	-
Corporate	-
Other	-
	<u> -</u>

Total

	-
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Charges for Services

	-
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Investment Earnings

	\$ 33,789
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Miscellaneous

	<u> -</u>
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Total Revenues

	<u>\$ 3,537,054</u>
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Expenditures:

Personnel Services and Benefits

Salaries	\$ 141,538
On-behalf payments - salaries	-
Retirement contributions	12,700
On-behalf payments - retirement	-
Insurance	-
On-behalf payments - insurance	-
Payroll Taxes	3,883
Other	-
	<u> -</u>

Total

	\$ 158,121
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TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Expenditures (Continued):

Professional Development

Dues, licenses and registrations	11,050
Travel	515
Other	<u>114</u>

Total 11,679

Operating Costs

Library and research	2,887
Contract services - attorney/legal	2,944,666
Contract services - other	157,475
Lease - office	56,075
Lease - autos and other	5,286
Travel - transportation	-
Travel - other	-
Insurance	39,986
Supplies	20,950
Repairs and maintenance	10,125
Utilities and telephone	16,881
Other	<u>300</u>

Total 3,254,631

Debt Service -

Capital Outlay 3,879

Total Expenditures \$ 3,428,310

REQUIRED SUPPLEMENTARY INFORMATION

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Court costs	\$ 2,015,000	\$ 2,015,000	\$ 2,059,389	\$ 44,389
Intergovernmental Revenue:				
Louisiana Public Defender Board	919,304	919,304	947,583	28,279
Bail bond forfeiture & license fees	400,000	400,000	401,404	1,404
Criminal justice bond fee	15,000	15,000	22,125	7,125
Application fees	41,000	41,000	39,932	(1,068)
Drug, DWI and Veterans court	30,000	30,000	20,000	(10,000)
Interest earnings	19,500	19,500	33,789	14,289
Other	21,000	21,000	12,832	(8,168)
Total revenues	<u>3,460,804</u>	<u>3,460,804</u>	<u>3,537,054</u>	<u>76,250</u>
Expenditures:				
Attorneys' fees	2,960,720	2,960,720	2,944,666	16,054
Salaries and related benefits	174,800	174,800	158,121	16,679
Other professional services	183,800	183,800	157,475	26,325
Operating services	145,400	145,400	133,770	11,630
Office supplies and expenses	24,500	24,500	30,399	(5,899)
Capital outlay	1,700	1,700	3,879	(2,179)
Total expenditures	<u>3,490,920</u>	<u>3,490,920</u>	<u>3,428,310</u>	<u>62,610</u>
Excess of revenues over expenditures	(30,116)	(30,116)	108,744	138,860
Fund balance, beginning	<u>652,296</u>	<u>1,012,669</u>	<u>1,012,669</u>	<u>-</u>
Fund balance, ending	<u>\$ 622,180</u>	<u>\$ 982,553</u>	<u>\$ 1,121,413</u>	<u>\$ 138,860</u>

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2019

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.027710%	\$ 7,576	\$ 158,865	4.77%	99.15%
2016	0.026741%	\$ 70,390	\$ 146,734	47.97%	92.23%
2017	0.022590%	\$ 46,524	\$ 133,973	34.73%	94.15%
2018	0.020959%	\$ (15,557)	\$ 129,061	-12.05%	101.98%
2019	0.019448%	\$ 86,317	\$ 110,000	78.47%	88.86%

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

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

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 24,080	\$ 24,080	\$ -	\$ 158,865	15.16%
2016	\$ 19,082	\$ 19,082	\$ -	\$ 146,734	13.00%
2017	\$ 17,094	\$ 17,094	\$ -	\$ 133,973	12.75%
2018	\$ 15,487	\$ 15,487	\$ -	\$ 129,061	12.00%
2019	\$ 12,700	\$ 12,700	\$ -	\$ 110,000	11.50%

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

Notes to the Required Supplementary Information
For the Year Ended June 30, 2019

(1) Budget and Budgetary Accounting

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

1. The district defender prepares a proposed budget for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Public Defender office.

(2) Pension Plan

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

Champagne & Company, LLC

Certified Public Accountants

Russell F. Champagne, CPA, CGMA*
Penny Angelle Scruggins, CPA, CGMA*

Shayne M. Breaux, CPA
Kaylee Champagne Frederick, CPA

*A Professional Accounting Corporation

113 East Bridge Street
PO Box 250
Breaux Bridge, LA 70517
Phone: (337) 332-4020
Fax: (337) 332-2867

INDEPENDENT AUDITORS*
REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Mr. Richard M. Tompson, District Defender
Twenty-Fourth Judicial District Public Defender Office
Jefferson 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 the major fund of the Twenty-Fourth Judicial District Public Defender Office, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Twenty-Fourth Judicial District Public Defender Office's basic financial statements, and have issued our report thereon dated November 15, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Twenty-Fourth Judicial District Public Defender Office's 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 Twenty-Fourth Judicial District Public Defender Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Fourth Judicial District Public Defender Office's 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 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan, as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Twenty-Fourth Judicial District Public Defender Office's financial statements are free from 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*.

Twenty-Fourth Judicial District Public Defender Office's Response to Findings

The Twenty-Fourth Judicial District Public Defender Office's response to the finding identified in our audit is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. The Twenty-Fourth Judicial District Public Defender Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The 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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 15, 2019

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

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

I. Prior Year Findings:

Internal Control Over Financial Reporting

2018-001 – Inadequate Segregation of Accounting Functions

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

Status: Unresolved. See item 2019-001.

Compliance

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

Management Letter Items

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

TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
Jefferson Parish, Louisiana

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

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

Internal Control Over Financial Reporting

Item 2019-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred: 2018

Condition and Criteria:

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

Effect:

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

Cause:

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

Recommendation:

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

Management's Corrective Action Plan:

Mr. Richard Tompson, District Defender, has determined that it is not feasible to achieve complete segregation of functions within the accounting department. No plan is considered necessary.

Compliance

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

Management Letter Items

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

**TWENTY-FOURTH JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE**

Jefferson Parish, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2019

Champagne & Company, LLC

Certified Public Accountants

Russell F. Champagne, CPA*
Penny Angelle Scruggins, CPA*

Shayne M. Breaux, CPA
Kaylee Champagne Frederick, CPA

*A Professional Accounting Corporation

113 East Bridge Street
PO Box 250
Breux Bridge, LA 70517
Phone: (337) 332-4020
Fax: (337) 332-2867

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Twenty-Fourth Judicial District Public Defender and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the management of the Twenty-Fourth Judicial District Public Defender Office (Public Defender Office) 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, 2018 through June 30, 2019. Management of the Public Defender Office 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 as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

Written policies and procedures were not tested at June 30, 2019 (Year 3) due to the fact there were not tested in prior year (Year 2). However, since the disaster recovery policy is new in Year 3, this policy was tested. See k) below.

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
- 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.
- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections

for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions noted.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

Board or Finance Committee procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity*

relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Bank Reconciliations procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Collections procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding credit card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards and P-cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

Credit cards procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that

identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Travel and expense reimbursement procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing or general ledger is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Contracts procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Payroll and personnel procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and;
- a) Observe that 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.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/official's cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/official's personnel files.
19. Obtain management's representation that employer and employee portion of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

Ethics procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Debt service procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

22. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Other procedures were not tested at June 30, 2019 (Year 3) due to the fact that they were not tested in prior year (Year 2).

23. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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.

Champagne & Company, LLC

Certified Public Accountants

Breaux Bridge, Louisiana
November 15, 2019