

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018



**Rozier Harrington
& McKay** | CERTIFIED PUBLIC
ACCOUNTANTS |

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**Rozier Harrington
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ACCOUNTANTS

December 1, 2018

INDEPENDENT AUDITOR'S REPORT

To the District Defender
Ninth Judicial District
State of Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and the major fund of the Public Defender's Office for the Ninth Judicial District, a component unit of the Louisiana Public Defender Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these 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 auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting 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 Public Defender's Office, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Public Defender's Office
Ninth Judicial District
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OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's discussion and analysis
- Statement of Revenues, Expenditures, and Changes in Fund Balance (Budget and Actual)
- Schedule of Net Pension Liability Data – Cost Sharing Retirement Systems
- Schedule of Employer Contributions – Cost Sharing Retirement Systems

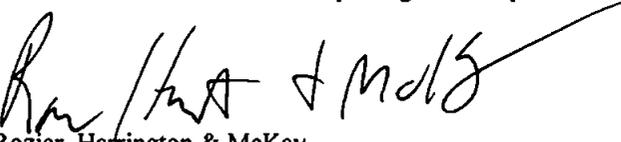
Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.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

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Defender's Office basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is other supplemental information presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2018, on our consideration of the 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 Office's internal control over financial reporting and compliance.


Rozier, Harrington & McKay
Certified Public Accountants

PUBLIC DEFENDER'S OFFICE

NINTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

This section of annual financial report presents our discussion and analysis of the Office's financial performance during the fiscal year ended June 30, 2018, along with certain comparative information for the previous year.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Office's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Office as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Office's assets and all of the Office's liabilities. All of the Office's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by grants, fines and various fees.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Office's most significant activities and are not intended to provide information for the Office as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Office's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the Office's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE

A comparative analysis of the government-wide Statement of Net Position is presented as follows:

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

	For the Year Ended June 30,	
	2018	2017
<u>Assets:</u>		
Cash	\$ 262,490	\$ 235,364
Receivables	49,127	46,283
Depreciable capital assets, net	3,607	4,147
Net Pension Asset	33,696	----
Total Assets	348,920	285,794
Deferred Outflows	61,090	99,639
<u>Liabilities:</u>		
Accounts Payable	3,202	4,497
Compensated Absences	7,990	2,906
Net Pension Liability	----	83,796
Total Liabilities	11,192	91,199
Deferred Inflows	100,007	15,186
<u>Net Position:</u>		
Unrestricted	295,204	274,901
Invested in Capital Assets	3,607	4,147
Total Net Position	\$ 298,811	\$ 279,048

As the presentation appearing above demonstrates, with the exception of \$3,607 invested in capital assets, the Office's net position are unrestricted and may be used to meet the Office's ongoing obligations.

A comparative analysis of the government-wide Statement of Activities is presented as follows:

	For the Year Ended June 30,	
	2018	2017
<u>Revenues:</u>		
Program Revenue:		
State Grants	\$ 472,916	\$ 497,396
Local Funds	624,453	596,336
Charges for Service	36,181	33,030
General Revenue:		
Other	----	618
Total Revenue	1,133,550	1,127,380
<u>Program Expenses:</u>		
General Government - Judicial	1,113,787	1,100,354
Change in Net Position	19,763	27,026
Net Position Beginning	279,048	252,022
Net Position Ending	\$ 298,811	\$ 279,048

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

As the accompanying presentation demonstrates, the Public Defender's Office's net position has increased through diligent management of expenditures intended to accumulate reserves to address future contingencies that might disrupt financial resources.

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS

For the year ended June 30, 2018, differences between the government-wide presentation and the fund financial statements were limited to reporting equipment and related depreciation and amounts related to pension funding in the government-wide presentation.

BUDGET HIGHLIGHTS

State law requires the general fund to have a budget. For the year ended June 30, 2018, no amendments were necessary to the original budget.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2018, capital asset activity was limited to recording depreciation on existing assets.

DEBT ADMINISTRATION

For the year ended June 30, 2018, there was no debt activity and no debts are outstanding at year end.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Statement of Net Positon
June 30, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 262,490
Receivables	49,127
Depreciable Assets	3,607
Net Pension Asset	<u>33,696</u>
Total assets	<u>348,920</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Funding Deferrals	<u>61,090</u>
<u>LIABILITIES</u>	
Accounts payable	3,202
Long-term Liabilities	
Compensated Absences	<u>7,990</u>
Total liabilities	<u>11,192</u>
<u>DEFERRD INFLOWS OF RESOURCES</u>	
Pension Funding Deferrals	<u>100,007</u>
<u>NET POSITION</u>	
Unrestricted	295,204
Invested in Capital Assets	<u>3,607</u>
Total net position	<u>\$ 298,811</u>

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

***PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT***

***Statement of Activities
Year Ended June 30, 2018***

	<u>Governmental Activities</u>
Expenses:	
General Government - Judicial	
Payroll & Related Benefits	\$ 334,333
Contract Attorneys	663,725
Insurance	14,934
Rent	18,000
Legal & Professional	32,793
Office Expense	27,104
Utilities & Telephone	9,838
Other	13,060
Total Expenses	<u>1,113,787</u>
Program Revenues:	
Charges for Services	36,181
Operating Grants and Contributions	
State	472,916
Local	624,453
Total Program Revenues	<u>1,133,550</u>
Net Income (Expenses) - Governmental Activities	<u>19,763</u>
General Revenues:	
Other	<u>-</u>
Total General Revenues	<u>-</u>
Change in Net Position	19,763
Net Position - Beginning	<u>279,048</u>
Net Position - Ending	<u>\$ 298,811</u>

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

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2018

<u>Assets</u>	<u>General</u>
Cash	\$ 262,490
Receivables	49,127
Total Assets	<u>\$ 311,617</u>
 <u>Liabilities and Fund Balance</u> 	
<u>Liabilities</u>	
Accounts Payable	\$ 3,203
Other Liabilities	-
Total Liabilities	<u>3,203</u>
 <u>Fund Balance</u>	
Unassigned	<u>308,414</u>
Total Fund Balances	<u>308,414</u>
 Total Liabilities and Fund Balance	 <u>\$ 311,617</u>

Total Fund Balances - Governmental Funds	\$ 308,414
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(13,211)
Amounts reported for governmental activities in the Statement of Net Position are different because capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>3,608</u>
Net Position of Governmental Activities	<u>\$ 298,811</u>

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

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2018

	<u>General</u>
Revenues:	
Intergovernmental	
State Funds	\$ 472,916
Local Funds	624,453
Indigent Fees	36,181
Other	-
Total revenues	<u>1,133,550</u>
Expenditures:	
General Government - Judicial	
Payroll & Related Benefits	323,371
Contract Attorneys	663,725
Insurance	14,934
Rent	18,000
Legal & Professional	32,793
Office Expense	27,104
Utilities & Telephone	9,838
Capital Outlay	-
Travel & Other	12,521
Total expenditures	<u>1,102,286</u>
Excess (deficiency) of revenues over expenditures	31,264
Fund balance - beginning of year	<u>277,150</u>
Fund balance - end of year	<u>\$ 308,414</u>

Net change in fund balances of Governmental Funds	\$ 31,264
Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital expenditures in the current period.	(5,623)
Long-term liabilities reported in the statement of activities includes pension obligations incurred in connection with participation in multi employer cost sharing pension plans. Changes in the pension obligation affect the statement of activities	(5,878)
Change in net position of governmental activities	<u>\$ 19,763</u>

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

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ninth Judicial District Public Defender's Office was established under the laws of the State of Louisiana in order to provide legal representation for indigent individuals involved in criminal proceedings. The Office receives appropriations from the State of Louisiana as well as fees and other costs, which are assessed from persons participating in the judicial process. The Office may also receive fees from indigent defendants, whenever the District Judge determines that fees of this nature are appropriate. The Office is administered by the District Public Defender who is appointed by the Louisiana Public Defender Board.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the reporting entity to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the Public Defender's Office is a component of the Louisiana Public Defender Board, which is a component of the State of Louisiana. The accompanying financial statements present information only on the accounts maintained by the Public Defender of the Ninth Judicial District. The financial statements do not present information of the State of Louisiana or the Louisiana Public Defender Board, the general government service provided by those governmental units, or other governmental units that comprise the financial reporting entity.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Office's operations as governmental activities.

The government-wide and fund financial statements present the Office's financial position and results of operations from differing perspectives which are described as follows:

PUBLIC DEFENDER’S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Office as a whole.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, State grants, and local funds.

Fund Accounting

The accounts are organized on the basis of funds, which consist of a single general fund. The General Fund is the general operating fund of the Office. It is used to account for all financial resources.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as expenditures. Inventories of supplies are considered immaterial and are not recorded.

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.

Budgets

Budgets are adopted prior to the beginning of each year using the generally accepted basis of accounting. Furthermore, budgets are amended in the manner prescribed by state law.

PUBLIC DEFENDER’S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

Cash

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk is managed by requiring fiscal agents to provide security for any deposits that exceed FDIC limits.

Compensated Absences

Full time employees earn vacation at rates that vary depending on length of service. Unused vacation that employees are allowed to carryforward is reported as long-term liabilities. Amounts are reported as expenditures when the unused vacation is actually liquidated.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of three to five years is typically used.

NOTE 2 - CASH

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2018, the Public Defender’s Office has \$312,812 in deposits (collected bank balance). These deposits are secured by FDIC coverage in the amount of \$250,000 and pledged securities of \$389,205.

NOTE 3 - RECEIVABLES

At June 30, 2018, consisted entirely of amounts due from governmental sources, which are described as follows:

Rapides Parish Sheriff’s Office	\$	31,923
City of Alexandria		10,931
City of Pineville		6,273
<hr/>		
Total	\$	49,127

PUBLIC DEFENDER’S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

NOTE 4 – CAPITAL ASSETS

A summary of the Office’s capital assets is provided as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Capital Assets Being Depreciated:</u>				
Furniture and Equipment	\$ 9,307	\$ ----	\$ ----	\$ 9,307
Less Accumulated Depreciation	5,160	540	----	5,700
<u>Total Net of Depreciation</u>	<u>\$ 4,147</u>	<u>\$ 540</u>	<u>\$ ----</u>	<u>\$ 3,607</u>

NOTE 5 - RISK MANAGEMENT

The Office is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Office insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 6 – PENSION PLAN

Parochial Employees Retirement System

Substantially all of the Public Defender’s Office’s employees are members of a statewide retirement system. This system is a cost-sharing, multiple employer defined benefit pension plan administered by a board of trustees. A summary of amounts reported in connection with participation in this plan is summarized as follows:

	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources
Parochial Employees Retirement System	\$ 33,696	\$ 61,090	\$ 100,007

Further information regarding the retirement system is furnished as follows:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Public Defender’s Office are members of Plan A. All permanent employees working at least 28 hours per week are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service, are entitled to a retirement benefit, payable monthly for life, equal to three per cent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of the final-average salary, plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980, plus three per cent of final average salary for each year of service credited after the revision date. Final-average salary is the employees'

PUBLIC DEFENDER'S OFFICE

Ninth Judicial District

Notes to Financial Statements

For the Period Ended June 30, 2018

average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and who do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - Employees are required to contribute 9.5% of their salaries to the System. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current rate is 11.50% of annual covered payroll. The contribution requirements of the plan members and the Public Defender's Office are established and may be amended by state statute. In addition, contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. Contributions to the retirement system for the year ended June 30, 2018 and each of the two preceding years have been consistent with the required amounts.

Financial Summary - The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details the System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at persla.org.

Plan A's net pension liability (asset) was determined at December 31, 2017 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,754,795,626
Plan Fiduciary Net Pension	3,829,020,281
Net Pension Liability (Asset)	<u>(74,224,655)</u>
Public Defender's Office's Proportionate Share (Percentage)	0.045397%
Public Defender's Office's Proportionate Share (Amount)	<u>\$ (33,696)</u>

The net pension liability (asset) presented above was not affected by any special funding situations. Changes in the Public Defender's Office proportionate share of Plan A's net pension liability during the measurement period ending December 31, 2017 are provided as follows:

Beginning Net Pension Liability	\$ 83,796
Employer Contributions	(34,969)
Pension Expense	39,724
Deferred Outflows of Resources	(37,426)
Deferred Inflows of Resources	<u>(84,821)</u>
Ending Net Pension Liability (Asset)	<u>\$ (33,696)</u>

There were no changes between June 30, 2018 and the Plan A's measurement date that are expected to have a significant effect on the Public Defender's Office's proportionate share of the collective net pension liability (asset). Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total (Net)
Differences Between Expected and Actual Experience	\$ ----	\$ 21,812	\$ (21,812)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	----	77,847	(77,847)
Changes of Assumptions	42,529	----	42,529
Changes in Proportion	1,762	348	1,414
Employer Contributions Made After the Measurement Date	16,799	----	16,799
Total Deferrals	61,090	100,007	(38,917)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability (Asset) in the Subsequent Reporting Period	(16,799)	----	(16,799)
Deferrals Subject to Amortization	\$ 44,291	\$ 100,007	\$ (55,716)

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
December 31, 2017	\$ 5,647
December 31, 2018	(4,808)
December 31, 2019	(25,700)
December 31, 2020	(30,855)
December 31, 2021	----
Total	\$ (55,716)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of investment expense, including inflation
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Expected Remaining Service Lives	4 Years
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 increases not yet authorized by the Board of Trustees.
Inflation Rate	2.50%

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

Mortality RP-2000 Employee Sex Distinct Table was selected for employees. RP-2000 Healthy Annuitant Sex Distinct Tables were selected for annuitants and beneficiaries RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities.

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan A members will be made at the current contribution 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 A members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and 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 7.62% for the year ended December 31, 2017.

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, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Total	100%	5.62%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.62%

PUBLIC DEFENDER'S OFFICE
Ninth Judicial District

Notes to Financial Statements
For the Period Ended June 30, 2018

Sensitivity to changes in the discount has been determined by measuring net pension liability (asset) at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.75% Discount Rate	Current Discount Rate 6.75%	1% Increase 7.75% Discount
Net Pension Liability (Asset)	\$ 166,132	\$ (33,696)	\$ (211,630)

NOTE 7 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2018, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government		
Appropriations – Special		\$ 472,916
Local Governments		
Statutory Fines, Forfeitures, Fees and Court Cost		624,453
Charges for Services		<u>36,181</u>
Total Revenues		<u>\$ 1,133,550</u>

Expenditures

Personnel Services and Benefits		
Salaries	288,678	
Payroll Taxes	751	
Retirement	<u>33,942</u>	
Total		323,371
Professional Development		
Dues, licenses, and registrations	4,990	
Travel	<u>4,667</u>	
Total		9,657
Operating Cost		
Contract Services – Attorney / Legal	663,725	
Contract Services – Other	32,793	
Rent-Office	18,000	
Insurance	14,934	
Office Expense/Supplies	27,104	
Utilities and Telephone	9,838	
Library and Research	2,627	
Other	<u>237</u>	
Total		<u>769,258</u>
Total Expenditures		<u>1,102,286</u>

***PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT***

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Year Ended December 31, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
State Funds	455,034	455,034	472,916	17,882
Local Government	578,400	578,400	624,453	46,053
Indigent Fees	25,000	25,000	36,181	11,181
Other	-	-	-	-
Total revenues	<u>1,058,434</u>	<u>1,058,434</u>	<u>1,133,550</u>	<u>75,116</u>
<u>Expenditures:</u>				
General Government - Judicial				
Payroll & Related Benefits	368,000	368,000	323,371	44,629
Contract Attorneys	662,500	662,500	663,725	(1,225)
Insurance	16,700	16,700	14,934	1,766
Rent	18,000	18,000	18,000	-
Legal & Professional	47,000	47,000	32,793	14,207
Office Expense	43,600	43,600	27,104	16,496
Utilities & Telephone	21,500	21,500	9,838	11,662
Travel & Other	16,000	16,000	12,521	3,479
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>1,218,300</u>	<u>1,218,300</u>	<u>1,102,286</u>	<u>116,014</u>
Excess (deficiency) of revenues				
Net Change in Fund Balances	(159,866)	(159,866)	31,264	191,130
Fund balance - beginning of year	<u>232,020</u>	<u>232,020</u>	<u>277,150</u>	<u>(45,130)</u>
Fund balance - end of year	<u>\$ 72,154</u>	<u>\$ 72,154</u>	<u>\$ 308,414</u>	<u>\$ (45,130)</u>

***PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT
Schedule of Net Pension Liability Data
Cost Sharing Retirement Systems***

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Net Pension Liability				
	Percent	Amount			
Parochial Employees Retirement System					
December 31, 2014	0.059%	16,085	319,189	5.0%	99.1%
December 31, 2015	0.053%	140,131	303,744	46.1%	92.2%
December 31, 2016	0.041%	83,796	279,328	30.0%	92.2%
December 31, 2017	0.045%	(33,696)	288,678	-11.7%	102.0%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT
Schedule of Employer Contributions
Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Parochial Employees Retirement System					
December 31, 2014	50,558	52,972	(2,414)	319,189	16.60%
December 31, 2015	32,564	44,575	(12,011)	303,744	14.68%
December 31, 2016	35,627	31,505	4,122	279,328	11.28%
December 31, 2017	34,586	34,928	(342)	288,678	12.10%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

PUBLIC DEFENDERS OFFICE
NINTH JUDICIAL DISTRICT

Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2018

	<u>Deirdre Fuller</u>	
<u>Purpose</u>		
Salary	\$	90,085
Retirement		10,810
Reimbursements		1,634



**Rozier Harrington
& McKay** | CERTIFIED PUBLIC
ACCOUNTANTS |

December 1, 2018

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

To the District Defender
State of Louisiana
Ninth Judicial District

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 Public Defender's Office for the Ninth Judicial District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Office's basic financial statements, and have issued our report thereon dated December 1, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the 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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

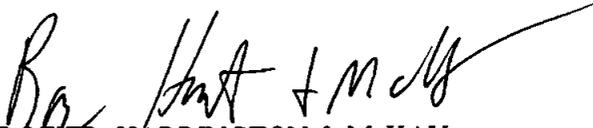
Public Defender's Office

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether 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*.

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.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2018

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditors' Report on the basic financial statements of the Public Defender's Office as of June 30, 2018 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are considered to be significant control deficiencies or material weaknesses.
- The results of the audit did not disclose an instance of noncompliance required to be reported in the Schedule of Findings and Questioned Cost.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- There are no items to report.

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2018

SECTION I Internal Control and Compliance Material To The Financial Statements	
No findings of this nature were reported	No findings of this nature were reported
SECTION II Internal Control and Compliance Material to Federal Awards	
No findings of this nature were reported	No findings of this nature were reported
SECTION III Management Letter	
No management letter was issued with this report.	No management letter was issued with this report.

PUBLIC DEFENDER'S OFFICE
NINTH JUDICIAL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
For the Year Ended June 30, 2018

<p>SECTION I Internal Control and Compliance Material To The Financial Statements</p>	
<p><u>2017-1: Noncompliance with Personnel Policy:</u> A terminated employee received compensation for at least 15 days of annual vacation. Based on a review of the personnel policy, this employee may have only been eligible to receive compensation for ten days of accrued vacation. The personnel policy states that employees with 1 to 7 years of service may accrue up to 10 days of vacation annually. Furthermore, the policy states that upon voluntary termination an employee shall be compensated for accumulated vacation not to exceed the number of days vacation for years of service.</p> <p>In order to eliminate such issues in the future, we suggest that the District Defender review and update the personnel policy.</p>	<p><u>Resolved:</u> The current payments made upon termination of an employee were processed properly.</p>
<p>SECTION II Internal Control and Compliance Material to Federal Awards</p>	
<p>No findings of this nature were reported</p>	<p>No findings of this nature were reported</p>
<p>SECTION III Management Letter</p>	
<p>No management letter was issued with this report.</p>	<p>No management letter was issued with this report.</p>

APPENDIX A
Statewide Agreed-Upon Procedures



**Rozier Harrington
& McKay** | CERTIFIED PUBLIC
ACCOUNTANTS |

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Public Defender's Office
Ninth Judicial District and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Public Defender's Office Ninth Judicial District (Entity) 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, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are presented in the accompanying Schedule of Procedures, Results and Managements' Response.

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.

Rozier, Harrington and McKay
Certified Public Accountants
Alexandria, Louisiana
December 1, 2018

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions:</p> <ul style="list-style-type: none"> • Budgeting • Purchasing • Disbursements • Receipts • Payroll/Personnel • Contracting • Credit Cards • Travel and expense reimbursements • Ethics • Debt 	<p>An analysis of written policies and procedures has resulted in the following conclusions:</p> <ul style="list-style-type: none"> • Details related to the following functions were limited and did not specifically address suggested components. <ul style="list-style-type: none"> ○ Budgeting ○ Purchasing ○ Disbursements ○ Receipts ○ Payroll/Personnel ○ Contracting ○ Credit Cards ○ Travel and expense reimbursements ○ Ethics • Debt service was not applicable because the Public Defender's Office has not issued any debt. 	<p>Despite the absence of written details, the Public Defender's Office has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>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:</p> <p>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.</p> <p>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. <i>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.</i></p>	<p>Procedures related to board and committee activities were not applicable because the District Defender independently governs operations without input from any board or committee.</p>	<p><i>N/A - The results did not include any findings or issues requiring a response.</i></p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
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.		

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>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 selected each account, and observe that:</p> <p>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);</p> <p>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</p> <p>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.</p>	<p>The Public Defender's Office uses a single bank account for all transactions.</p> <p>Bank reconciliations are dated within 2 months of the statement closing date.</p> <p>Bank reconciliations are performed by an independent CPA firm.</p> <p>There are no reconciling items in excess of 12 months.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
<p>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.</p>	<p>Deposits are posted in the general ledger by an independent accounting firm. The employees do not have access to the general ledger.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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.</p>	<p>The independent CPA firm reconciles cash collections to the general ledger/ by revenue source.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.</p>	<p>The District maintains coverage for employee theft with a loss limit of \$100,000.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p>		
<p>a. Observe that receipts are sequentially pre-numbered.</p>	<p>Receipts were sequentially pre-numbered.</p>	<p><i>The results did not include findings or criticisms.</i></p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections		
Agreed-Upon Procedure	Results	Managements' Response
b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.	The pre-numbered receipts agreed with the amounts reported on the deposit slip.	<i>The results did not include findings or criticisms.</i>
c. Trace the deposit slip total to the actual deposit per the bank statement.	The deposit slip agreed with the actual deposit per the bank statement.	<i>The results did not include findings or criticisms.</i>
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).	Deposits are made within one business day of receipt.	<i>The results did not include findings or criticisms.</i>
e. Trace the actual deposit per the bank statement to the general ledger.	The deposits per the bank statement agreed to the general ledger.	<i>The results did not include findings or criticisms.</i>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>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).</p>	<p>Management provided access to the general ledger system that reports all disbursement activity.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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:</p> <p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p> <p>b) At least two employees are involved in processing and approving payments to vendors.</p> <p>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.</p> <p>d) Either the employee/official responsible for</p>	<p>Only the District Defender and the Office Manager are involved in initiating a purchase request, approving a purchase, and placing the order.</p> <ul style="list-style-type: none"> • The District Defender approves all payments to vendors. • The independent CPA firm processes all payments to vendors. <p>The independent CPA firm is responsible for processing all payments and adding/modifying the vendor files. The employees of the District do not have access to the general ledger.</p> <p>The Office Manager is responsible for mailing all</p>	<p><i>The results did not include findings or criticisms.</i></p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.</p> <p>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:</p> <p>a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p>b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p>	<p>payments. The Office Manager has no involvement in processing payments.</p> <p>Management provided access to the general ledger system that reports all disbursement activity.</p> <p>Each transaction processed was supported by an invoice or similar supporting documentation.</p> <p>Disbursement documentation included evidence of the segregation of duties tested.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>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.</p>	<p>Accounts are limited to a single debit card.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>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:</p> <p>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.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>There was evidence that the District Defender reviewed the bank statement each month. However, the District Defender is the authorized card holder.</p> <p>The statement did not include any finance charges or late fees.</p>	<p>We will consult with our outside accountant and review the Legislative Auditor's best practices to determine if there is a cost beneficial solution.</p> <p><i>The results did not include findings or criticisms.</i></p>

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
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).	<ol style="list-style-type: none">1) One receipt for \$23.29 of the 10 transactions did not include an itemized receipt.2) Nine of the receipts totaling \$515.91 of the 10 receipts did not include written documentation of the business purpose.3) There was one receipt of \$18.97 in which there was no supporting evidence.	In the future we will document the business purpose of each receipt. Also we will work with all our vendors to provide an itemized receipt.

Public Defender's Office Ninth Judicial District

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>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:</p> <p>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).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>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 (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>The list was compiled from general ledger detail provided from travel and related expense accounts.</p> <p>Reimbursements were made in accordance with the per diem rates.</p> <p>Reimbursements were supported by an original itemized receipt.</p> <p>Reimbursements are supported by documentation.</p> <p>The District Defender reviews and approves all reimbursements. However, most reimbursements are her travel.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>We will consult with our outside accountant and review the Legislative Auditor's best practices to determine if there is a cost beneficial solution.</p>

Public Defender's Office Ninth Judicial District
Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>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 is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>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.</p> <p>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).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>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.</p>	<p>The list was obtained.</p> <p>The contracts were not subject to the public bid law. The contracts subject to testing were each for professional services. Due to the subjective nature of the services factors other than price were considered in awarding the contract.</p> <p>The contracts are not subject to approval by a governing board.</p> <p>None of the contracts evaluated were subject to amendments or change orders.</p> <p>The payment agreed to the contract terms.</p>	<p><i>The results did not include findings or criticisms.</i></p>

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Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>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.</p>		
<p>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:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>All attendance and leave was documented.</p> <p>The supervisors signature was on each timesheet.</p> <p>Leave taken as reported on time sheets was deducted from the employees leave balance maintained on their leave worksheet.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>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/officials' cumulate leave records,</p>	<p>There was only one employee that received termination payments.</p>	<p><i>The results did not include findings or criticisms.</i></p>

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Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. 19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	All payroll taxes, retirement contributions, and workers compensation premiums have been filed and paid by the deadline.	<i>The results did not include findings or criticisms.</i>

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Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and: 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.	All employees completed the ethics training. The District does not have a written ethics policy.	<i>The results did not include findings or criticisms.</i> We will work on a written ethics policy for each employee.

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Schedule of Procedures, Results and Managements' Response

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
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.	Not applicable, there is no debt issued or outstanding.	<i>The results did not include findings or criticisms.</i>
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.	Not applicable, there is no debt issued or outstanding.	<i>The results did not include findings or criticisms.</i>

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Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response

Other		
Agreed-Upon Procedure	Results	Managements' Response
23 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.	No misappropriations were identified.	<i>The results did not include findings or criticisms.</i>
24 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.	The notice was posted.	<i>The results did not include findings or criticisms.</i>