
THE OFFICE OF THE PUBLIC DEFENDER,
EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE,
AND WEST BATON ROUGE)

NEW ROADS, LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

CONTENTS

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORTS</u>	
Independent Auditors' Report	1-2
<u>REQUIRED SUPPLEMENTARY INFORMATION -PART I</u>	
Management's Discussion and Analysis	3-8
<u>BASIC FINANCIAL STATEMENTS- PART II</u>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet- Governmental Fund	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Fund	13
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
Notes to Financial Statements	15-23
<u>REQUIRED SUPPLEMENTARY INFORMATION - PART III</u>	
Budgetary Comparison Schedule - General Fund	24
<u>SUPPLEMENTARY INFORMATION - PART IV</u>	
Schedule of Compensation, Benefits and Other Payments to Chief Executive Officer	25
<u>OTHER REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS</u>	
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 <i>Government Auditing Standards</i>	26-27
<u>OTHER REPORTS</u>	
Schedule of Findings and Responses	28
Schedule of Prior Audit Findings	29



INDEPENDENT AUDITORS' REPORT

Honorable C. Jerome D'Aquila
The Office of the Public Defender, Eighteenth Judicial District
(Parishes of Iberville, Pointe Coupee, and West Baton Rouge)

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Office of the Public Defender, Eighteenth Judicial District (the "Public Defender") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Public Defender'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.

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 Governmental 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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 Office of the Public Defender, Eighteenth Judicial District as of June 30, 2017, 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 management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 24 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of the Public Defender, Eighteenth Judicial District's basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to chief executive officer is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2017, on our consideration of the Office of the Public Defender, Eighteenth Judicial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office of the Public Defender, Eighteenth Judicial District's internal control over financial reporting and compliance.

Diez, Dupuy + Ruiz

November 30, 2017
Gonzales, Louisiana

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

This section of the Office of the Public Defender, Eighteenth Judicial District's financial report presents our discussion and analysis of the Public Defender's financial performance during the year ended on June 30, 2017. Please read it in conjunction with the Public Defender's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Public Defender's total net position decreased by \$17,301 over the course of the year's operations.
- The Public Defender's expenses were \$17,301 more than the \$753,226 generated in charges for services and other revenue.
- Revenues decreased by 8.3 percent to \$753,226 while expenses for the year increased by 2 percent or \$14,144.
- The general fund reported a fund balance of \$363,560, a decrease from June 30, 2016 of 4.2 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of four parts-management's discussion and analysis (this section), the financial statements, required supplementary information and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Public Defender:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Public Defender's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Public Defender's government, reporting the Public Defender's operations in more detail than the government-wide statements.
- The governmental fund statements tell how general government services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Public Defender's financial statements, including the portion of the Public Defender's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Figure A-1

Major Features of Public Defender's Government-wide and Fund Financial Statements

	Fund Statements	
	Government-wide Statements	Governmental Fund
Scope	Entire Public Defender government	The activities of the Public Defender
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of Inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received or have otherwise been incurred

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Government-wide Statements

The government-wide statements report information about the Public Defender as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current period's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements report the Public Defender's net position and how they have changed. Net Position, the difference between the Public Defender's assets and liabilities, is one way to measure the Public Defender's financial health, or position.

- Over time, increases or decreases in the Public Defender's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Public Defender you need to consider additional non-financial factors such as the demand for indigent defense.

The government-wide financial statements of the Public Defender include:

- Governmental activities – most of the Public Defender's basic services are included here such as cost on court fees and bail bonds.

Fund Financial Statements

The fund financial statements provide more detailed information about the Public Defender's most significant funds, not the Public Defender as a whole. Funds are accounting devices that the Public Defender uses to keep track of specific sources of funding and spending for particular purposes.

The Public Defender has one type of fund:

- Governmental Fund-All of the Public Defender's basic services are included in the governmental fund, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Public Defender's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

FINANCIAL ANALYSIS OF THE PUBLIC DEFENDER AS A WHOLE

Net position. The Public Defender's net position decreased between the year ended 2017 and 2016 to \$367,460. (See Table A-1.)

Table A-1
Public Defender's Net Position

	Governmental Activities	
	June 30, 2017	June 30, 2016
Current and other assets	\$ 369,276	\$ 382,971
Capital assets	3,900	5,391
Total assets	373,176	388,362
Current liabilities	5,716	3,601
Total liabilities	5,716	3,601
Net position		
Net investment in capital assets	3,900	5,391
Unrestricted	363,560	379,370
Total net position	\$ 367,460	\$ 384,761

Net position of the Public Defender's governmental activities decreased 4.5 percent or \$17,301 during the year. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements decreased from \$379,390 at June 30, 2016, to \$363,560 at the end of the current fiscal year.

Changes in net position. The Public Defender's total revenues decreased 8.3 percent to \$753,226. (See Table A- 2). Approximately 77 percent of the Public Defender's revenue comes from charges for services and approximately 22 percent comes from state government appropriations.

The total cost of operations increased \$14,144 or 2 percent. The Public Defender expenses cover all of the services performed by its office.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Governmental Activities

Revenues for the Public Defender's governmental activities decreased 8.3 percent, while total expenses increased 2 percent.

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

	Governmental Activities	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Revenues		
Program revenues		
Charges for services	\$ 584,224	\$ 693,761
General revenues		
State government appropriations	166,678	127,139
Interest	2,324	722
Total revenues	<u>753,226</u>	<u>821,622</u>
Expenses		
General Government		
Personnel	274,191	257,237
Other Operating	496,336	499,146
Total expenses	<u>770,527</u>	<u>756,383</u>
Increase (decrease) in net position	<u>\$ (17,301)</u>	<u>\$ 65,239</u>

- The cost of all governmental activities for the year increased approximately 2 percent to \$770,527 primarily due to the increase in salaries and compensation to contract attorneys.

FINANCIAL ANALYSIS OF THE FUND

As the Public Defender completed the year, its governmental funds reported a fund balance of \$363,560, a decrease from last year of \$15,810 or 4.2 percent.

General Fund Budgetary Highlights

Over the course of the year, there were amendments made to the general fund budget to reflect the decrease in court fees, bond fees and state government appropriations. Investment income was amended to reflect an increase. Personnel services and related benefits and operating services were amended to reflect an increase from the original budget and Professional services was amended to reflect a decrease expenses related to services rendered by the Public Defender.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the Public Defender had invested \$3,900 in capital assets. (See Table A-3.)

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

	Governmental Activities	
	June 30, 2017	June 30, 2016
Equipment	\$ 35,699	\$ 35,699
Accumulated Depreciation	(31,799)	(30,308)
Net Capital Assets	\$ 3,900	\$ 5,391

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Public Defender is dependent on providing criminal legal services for indigent individuals in Iberville, Pointe Coupee, and West Baton Rouge Parishes for approximately 78 percent of its revenues. The economy is not expected to generate any significant growth. The Public Defender's future revenues are expected to increase over the next year while expenditures are expected to be consistent with June 30, 2017.

CONTACTING THE PUBLIC DEFENDER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Public Defender's finances and to demonstrate the Public Defender's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jerry D'Aquila, 308 East Main Street, New Roads, LA 70760.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 312,868
Intergovernmental receivables	52,956
Prepaid insurance	3,452
Capital assets, net of accumulated depreciation	<u>3,900</u>
TOTAL ASSETS	<u>\$ 373,176</u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	<u>\$ 5,716</u>
TOTAL LIABILITIES	<u>5,716</u>

NET POSITION

Net investment in capital assets	3,900
Unrestricted	<u>363,560</u>
TOTAL NET POSITION	<u>367,460</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 373,176</u>

The accompanying notes are an integral part of this statement.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

STATEMENT OF ACTIVITES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position</u>
<u>FUNCTIONS/PROGRAMS</u>			
Governmental activities:			
General government	\$ 770,527	\$ 584,224	\$ (186,303)
Total governmental activities:	<u>\$ 770,527</u>	<u>\$ 584,224</u>	<u>(186,303)</u>
General Revenues:			
State government appropriations			166,678
Interest			<u>2,324</u>
Total general revenues			<u>169,002</u>
Change in net position			(17,301)
Net position - July 1, 2016			<u>384,761</u>
Net position - June 30, 2017			<u>\$ 367,460</u>

The accompanying notes are an integral part of this statement.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 312,868
Intergovernmental receivables	52,956
Prepaid insurance	<u>3,452</u>
TOTAL ASSETS	<u><u>\$ 369,276</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	<u>\$ 5,716</u>
Total Liabilities	<u>5,716</u>
Fund Balance	
Nonspendable	3,452
Unassigned	<u>360,108</u>
Total fund balance	<u>363,560</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 369,276</u></u>

The accompanying notes are an integral part of this statement.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balance - Governmental Fund		\$ 363,560
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in the governmental activities are not financial resources, therefore, are not reported in the fund.		
Cost of capital assets	35,699	
Less: accumulated depreciation	<u>(31,799)</u>	<u>3,900</u>
Total net position - Governmental Activities		<u>\$ 367,460</u>

The accompanying notes are an integral part of this statement.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES

Court fees	\$ 511,744
Bond fees	71,280
State government appropriations	166,678
Local revenue	1,200
Investment income	<u>2,324</u>
 Total Revenues	 <u>753,226</u>

EXPENDITURES

General government	
Personnel services and related benefits	274,191
Travel and training	4,200
Operating services	39,689
Professional services	449,923
Other expenses	1,033
Capital outlay	<u>-</u>
 Total Expenditures	 <u>769,036</u>

Excess of Revenues Over Expenditures	(15,810)
 Fund balance, beginning of year	 <u>379,370</u>
 Fund balance, end of year	 <u><u>\$ 363,560</u></u>

The accompanying notes are an integral part of this statement.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2017

Excess of Revenues over Expenditures	\$ (15,810)
Amounts reported for governmental activities in the Statement of Activities are different because:	
The governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as a depreciation expense. This is the amount by which capital outlays exceeded depreciation.	
Capital Assets:	
Depreciation expense	<u>(1,491)</u>
Change in Net Position	<u>\$ (17,301)</u>

The accompanying notes are an integral part of this statement.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The Office of the Public Defender, Eighteenth Judicial District, (the Public Defender) was established by the provisions of Louisiana Revised Statute 15:144-149, to provide counsel to represent indigent, needy individuals, in criminal and quasi-criminal cases at the District Court level. This statute has been amended by Act No. 307. The Office of the Public Defender, Eighteenth Judicial District, encompasses the parishes of Iberville, Pointe Coupee, and West Baton Rouge, Louisiana.

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

For the financial reporting purposes, in conformance with GASB Codification Section 2100, the Office of the Public Defender, Eighteenth Judicial District is a part of the district court system of the State of Louisiana. However, the state statutes that created the district boards also gave each of the boards control over their own operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Office of the Public Defender, Eighteenth Judicial District is financially independent and operates autonomously from the State of Louisiana and independent from the district court system. Therefore, the Office of the Public Defender, Eighteenth Judicial District reports as a reporting entity, not as a component unit and the basic financial statements include only the transactions of the Office of the Public Defender, Eighteenth Judicial District.

C. FUND ACCOUNTING

The Public Defender Office uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Public Defender functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds

Governmental funds account for all of the Public Defender's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the funds which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Public Defender. The following are the Public Defender's governmental funds:

General Fund- the primary operating fund of the Public Defender and it accounts for all financial resources; except those required to be accounted for in other funds. The General Fund is available for any purpose it is expended or transferred in accordance with state and federal laws and according to Public Defender policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Public Defender operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Public Defender considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities display information about the Public Defender as a whole. These statements include all the financial activities of the Public Defender. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Program Revenues- Program revenues included in the Statement of Activities are derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed directly from the Public Defender's general revenues.

E. BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with the Budget Act of the State of Louisiana, the Public Defender prepares an operating budget for the general fund at least ten days prior to the commencement of the budgetary year end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budget is made available for public inspection for a ten-day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the calendar year.
5. All annual appropriations lapse at year end.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. CASH AND CASH EQUIVALENTS

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State law allows the Public Defender to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government-backed securities.

F. RECEIVABLES AND PAYABLES

Receivables consist of all revenues earned at year end and not yet received. Payables consist of all liabilities incurred at year end and not yet paid.

G. ESTIMATES

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

H. RECLASSIFICATIONS

Certain amounts in the June 30, 2017 financial statements have been reclassified to conform to the current year presentation. The reclassification has no effect on the change in net position for 2017.

J. PREPAID INSURANCE

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Public Defender maintains a threshold level of \$1,000 or more for capitalizing capital assets.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. CAPITAL ASSETS (continued)

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 10 years.

M. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

- Net investment in capital assets - This component consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year end, the Public Defender did not have any borrowings that were related to capital assets.
- Restricted net position - This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Nonspendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the Public Defender's office or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Public Defender.

Assigned- represents balances that are constrained by the Public Defender's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned- represents balances for which there are no constraints.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Public Defender restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Public Defender reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

2. CASH AND CASH EQUIVALENTS

At June 30, 2017, the Public Defender had a demand cash account (book balances) totaling \$312,868. These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value for the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Public Defender does not have a deposit policy for custodial credit risk. As of June 30, 2017, the bank balance of \$10,585 was not exposed to custodial credit risk.

As of June 30, 2017, \$302,524 is invested in the Louisiana Asset Management Pool, Inc. (LAMP) (see Summary of Significant Accounting Policies). The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with LA-RS 33:2955.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

2. CASH AND CASH EQUIVALENTS (continued)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

3. RECEIVABLES

The Public Defender's has receivables of \$52,956 at June 30, 2017. These receivables consist of court fees and bail bonds.

4. OPERATING LEASE

The Public Defender leases two mini storage facility units under a month to month agreement. The Public Defender paid monthly rental payments of \$165 for each unit. Payments under this lease totaled \$3,960 for the year ended June 30, 2017.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2017, are as follows:

	<u>Machinery and Equipment</u>
Cost of Capital Assets, June 30, 2016	\$ 35,699
Additions	<u>-</u>
Cost of Capital Assets, June 30, 2017	<u>35,699</u>
Accumulated depreciation, June 30, 2016	30,308
Additions	<u>1,491</u>
Accumulated depreciation, June 30, 2017	<u>31,799</u>
Capital assets, net of accumulated depreciation, at June 30, 2017	<u>\$ 3,900</u>

For the year ended June 30, 2017, depreciation expense was \$1,491.

6. LITIGATIONS AND CLAIMS

The Public Defender is not aware of any pending or threatened litigation against the Office of the Public Defender, Eighteenth Judicial District as of June 30, 2017. No claims were paid out or litigation costs incurred during the year ended June 30, 2017.

7. RISK MANAGEMENT

The Public Defender is exposed to various risk of loss to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Public Defender has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Public Defender's coverage.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, November 30, 2017, and determined that there were no events that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

9. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2017, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government

Appropriations – general	<u>\$ 166,678</u>	
Total		166,678

Local Government

Statutory fines, forfeitures, fees, court costs, and other	<u>584,224</u>	
Total		584,224

Investment earnings

Total Revenues		<u>2,324</u>
		<u>\$ 753,226</u>

Expenditures:

Personnel Services and Benefits

Salaries	\$ 251,853	
Insurance	2,750	
Payroll Taxes	<u>19,588</u>	
Total		274,191

Operating Costs

Library and research	18,878	
Contract services – attorney/legal	426,782	
Contract services – other	27,110	
Lease – office	3,960	
Travel – transportation	4,200	
Insurance	1,149	
Supplies	6,453	
Repairs and maintenance	1,121	
Utilities and telephone	4,159	
Other	<u>1,033</u>	
Total		494,845

Capital Outlay

Total Expenditures		<u>-</u>
		<u>\$ 769,036</u>

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Court fees	\$ 543,500	\$ 512,200	\$ 511,744	\$ (456)
Bond fees	80,000	70,800	71,280	480
State government appropriations	167,000	163,500	166,678	3,178
Local revenue	1,200	1,200	1,200	-
Investment income	650	2,750	2,324	(426)
Total Revenues	<u>792,350</u>	<u>750,450</u>	<u>753,226</u>	<u>2,776</u>
<u>EXPENDITURES</u>				
Personnel services and related benefits	217,500	221,500	274,191	(52,691)
Travel and training	4,200	4,200	4,200	-
Operating services	27,150	38,000	39,689	(1,689)
Professional services	541,000	502,500	449,923	52,577
Other expenses	2,500	500	1,033	(533)
Capital outlay	-	-	-	-
Total Expenditures	<u>792,350</u>	<u>766,700</u>	<u>769,036</u>	<u>(2,336)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(16,250)	(15,810)	440
Fund balance, July 1, 2016	<u>395,900</u>	<u>384,761</u>	<u>379,370</u>	<u>(5,391)</u>
Fund balance, June 30, 2017	<u>\$ 395,900</u>	<u>\$ 368,511</u>	<u>\$ 363,560</u>	<u>\$ (4,951)</u>

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2017

CHIEF EXECUTIVE OFFICER: C. Jerome D'Aquila, District Defender

	<u>Totals</u>
Salary	\$ 66,179
Reimbursements	<u>664</u>
	<u>\$ 66,843</u>



**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***

Honorable Jerry D'Aquila
The Office of the Public Defender, Eighteenth Judicial District
(Parishes of Iberville, Pointe Coupee, and West Baton Rouge)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 Office of the Public Defender, Eighteenth Judicial District (the "Public Defender"), as of the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Office of the Public Defender, Eighteenth Judicial District's basic financial statements, and we have issued our report thereon dated November 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office of the Public Defender, Eighteenth Judicial District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Public Defender, Eighteenth Judicial District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Defender's internal control.

A *deficiency in internal controls* 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 with governance.

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

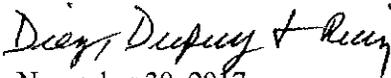
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Defender office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed 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.



November 30, 2017
Gonzales, Louisiana

THE OFFICE OF THE PUBLIC DEFENDER EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Office of the Public Defender, Eighteenth Judicial District.
2. No material weaknesses relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of Office of the Public Defender, Eighteenth Judicial District were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None noted.

C. FINDINGS - COMPLIANCE

None noted.

THE OFFICE OF THE PUBLIC DEFENDER, EIGHTEENTH JUDICIAL DISTRICT
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

A. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

B. FINDINGS - COMPLIANCE

None noted.



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable C. Jerome D'Aquila of The Office of the Public Defender, Eighteenth Judicial District and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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 (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list and the preparation and approval process of purchase requisitions and purchase orders.

Management's response: The Public Defender does not deem maintaining a vendor list necessary since the Public Defender approves all invoices and signs all checks for disbursements. The Public Defender does not utilize purchase requisitions and purchase orders; therefore, a description of this process is not included in the purchasing policy.

- c) **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the functions noted above.
- d) **Receipts**, including receiving, recording, and preparing deposits.
Written policies and procedures were obtained and address the functions noted above.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the functions noted above.
- 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.
Written policies and procedures were obtained and address the functions noted above.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
Written policies and procedures were obtained and address the functions noted above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and address the functions noted above.
- 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. Note: Ethics requirements are not applicable to nonprofits.
Written policies and procedures were obtained and address the functions noted above.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Written policies and procedures were obtained and address the functions noted above.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The Public Defender does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Public Defender.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

The Public Defender does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Public Defender.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Not applicable.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The Public Defender does not have a board or finance committee. Therefore; no minutes of meetings required to be maintained by the Public Defender.

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months.

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

The bank reconciliations prepared for all accounts include evidence that the Public Defender, Jerry D'Aquila, has reviewed each bank reconciliation.

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

Obtained bank statements and reconciliations for all months in the fiscal period noting management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

Collections are performed by four employees and a contracted CPA hired to perform the accounting function for the Public Defender. The four employees responsible for collecting cash are not bonded and the contract CPA hired to perform the accounting function is bonded. The four employees responsible for collecting cash are not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. The outside party responsible for collecting cash is responsible for depositing the cash in the bank, recording the related transaction, and reconciles the related bank account. Two of the four employees share the same cash drawer at one location.

Management's response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

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

The entity does not have a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections in the cash collection location selected.

Management's response: There are four employees and a contracted CPA hired to perform the accounting function for the Public Defender that are responsible for cash collections at the Public Defender's four cash collection sites. Efforts will be made to develop a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers to the extent possible with the limited number of employees involved.

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

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

One of the four cash collection sites made deposits within one day of collection. Three of the four cash collection sites were not made within one day of collection. The number of days from receipt to deposit for each location is as follows:

<i>Location</i>	<i>Revenue Source</i>	<i>Number of Receipts</i>	<i>Number of Days from Collection to Deposit</i>
<i>Iberville Court House</i>	<i>Application Fees</i>	<i>35</i>	<i>23-132 days</i>
<i>West Baton Rouge Court House</i>	<i>Application Fees</i>	<i>93</i>	<i>34-186 days</i>
<i>Law Office of D'Aquila Law Firm</i>	<i>Application Fees</i>	<i>23</i>	<i>12-54 days</i>

Management's response: The contracted CPA hired to perform the accounting function for the Public Defender is located at the West Baton Rouge Courthouse and is responsible for depositing money into the bank. Due to the low volume of receipts collected during the year at the noted collections sites and limited number of employees, it is not economically feasible for employees from collection sites to travel to the West Baton Rouge Courthouse to deliver one receipt received. Efforts will be made to develop a process to deliver and deposit cash collections on a more consistent basis that is reasonable for the resources available to the Public Defender.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Sequentially numbered receipts and/or other related collection documentation supported the cash collection.

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

The entity does not have a formal process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

Management's response: Efforts will be made to develop a formal process to determine completeness of all cash collections, including transfer, for each revenue source to the extent possible with the limited number of employees involved.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

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

Obtained listing of disbursements and management's representation that listing is complete.

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

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

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions, matched the associated payments, and checks were signed by two authorized signors.

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

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions and matched the associated payments.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system and does not otherwise require a separation of duties for initiation and approval of transactions. However, we noted that invoices were present for all transactions, matched the associated payments, and checks were signed by two authorized signors.

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

The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's response: The contracted CPA hired to perform the accounting function for the Public Defender has sole access to the accounting system. The Public Defender is aware of the lack of segregation of duties. The Public Defender has overall responsibility for reviewing all transactions prior to signing checks for purchases/disbursements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. In addition, the Public Defender reviews bank statements and bank reconciliations on a monthly basis. Management feels that this is the most cost-efficient process for the Public Defender with the limited number of resources available.

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

There are two people with signatory authority, the Public Defender and the outside party hired to perform accounting functions for the Public Defender. The Public Defender has signatory authority and makes the final authorization for disbursements. The Public Defender also has responsibility to initiate purchases. The Public Defender has hired an outside party to perform the accounting function and this person is an authorized signor for the entity and is responsible for initiating and recording purchases.

Management's response: Due to the limited number of resources available, the Public Defender is unable to adequately segregate these duties.

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

The supply of unused checks is maintained in a locked location. This locked location is under the control and access of a person who has signatory authority and system access to print checks.

Management's response: The contracted CPA hired to perform the accounting function for the Public Defender has sole access to the supply of unused checks and accounting system. The Public Defender is aware of the lack of segregation of duties. The Public Defender has overall responsibility for reviewing all transactions prior to signing checks for purchases/disbursements in efforts to mitigate risk associated with the limited number of employees involved with these transactions. In addition, the Public Defender reviews bank statements and bank reconciliations on a monthly basis. Management feels that this is the most cost-efficient process for the Public Defender with the limited number of resources available.

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

No signature stamp or signature machine is utilized.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

There are no active credit cards, debit cards, fuel cards or purchase cards. Management represented that this is accurate.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Not applicable.

Travel and Expense Reimbursement

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

There were no travel or related expense reimbursements made during the fiscal period. A car allowance is provided to the Public Defender's investigator that is included in wages. Per diem or mileage rates were not reimbursed to any other employees during the fiscal period. Management represented that this is accurate.

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

Policies were obtained. No amounts listed exceeded GSA rates.

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

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

Not applicable.

b) Report whether each expense is supported by:

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

Not applicable.

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

Not applicable.

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

Not applicable.

c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Not applicable.

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

Not applicable.

Contracts

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

Obtained listing of contracts in effect and management's representation that listing was complete.

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

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

Formal/written contracts were obtained that supports the services arrangements. However, the formal/written contracts did not support the amount paid. Payments made were in excess of compensation agreed to by the signed contract.

Management's response: The Public Defender reduced his compensation and the compensation for each of the contract attorneys by 10% in the previous year in efforts to reduce budgeted expenses. In the current year, the decision was made to bring contracts back to original amounts and contract attorney expenses were appropriately budgeted for the year ended June 30, 2017. At the time the contracts were signed, the compensation included in the contract was not adjusted for the increase in compensation and amended contracts were not prepared by management. Efforts will be made to develop a formal process to determine that contracts are complete and represent compensation received for services to be performed.

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

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

Not applicable.

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

Contracts were with attorneys to provide legal representation to indigent parties on behalf of the Public Defender. Each contract selected was not subject to the Louisiana Public Bid Law or Procurement Code and quotes were not solicited.

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

The contracts selected were not amended during the current fiscal period.

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

Payments made on each contract were made evenly on a monthly or semi-monthly basis to the attorneys within the terms and conditions of the contract.

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

Not applicable.

Payroll and Personnel

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

Obtained listing of employees with their related salaries and management's representation that listing was complete.

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

No exceptions noted.

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

Changes made to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.

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

The Public Defender did not maintain attendance and leave records on employees during the fiscal period.

Management's response: Efforts will be made to develop policies and procedures to appropriately monitor and maintain leave records.

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

We were unable to perform the above prescribed procedure for because the entity did not maintain attendance and leave records on employees during the fiscal period.

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

We were unable to perform the above prescribed procedure for because the entity did not maintain attendance and leave records on employees during the fiscal period.

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

We were unable to perform the above prescribed procedure for because the entity did not maintain attendance and leave records on employees during the fiscal period.

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

There were no employees or officials terminated during the fiscal period.

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

Employee and employer portions of payroll taxes, as well as the required reporting forms were submitted to the applicable agencies by the required deadlines for the fiscal period. Employees of the Public Defender does not participate in a retirement plan, therefore, retirement contributions and reporting does not apply to the Public Defender for this fiscal period.

Ethics (excluding nonprofits)

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

The Public Defender maintained documentation demonstrating that required ethics training was completed during the calendar year 2017. However, documentation demonstrating that required ethics training was completed during the calendar year 2016 was not maintained.

Management's response: Efforts will be made to develop policies and procedures to monitor ethics training for employees ensuring that required ethics training is completed and maintained.

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

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

No debt was issued during the fiscal period.

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

The Public Defender did not have outstanding debt during the current fiscal period.

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

Not applicable.

Other

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

Management asserted that the entity did not have any misappropriations of public funds or assets.

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

The Public Defender has posted on its premises the notice required by R.S. 24:523.1. The Public Defender does not have a website.

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

No exceptions noted.

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.

Dein, Dupuy & Reitz
Gonzales, Louisiana
November 30, 2017