
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, 2019

**THE OFFICE OF THE PUBLIC DEFENDER,
EIGHTEENTH JUDICIAL DISTRICT**

**(PARISHES OF IBERVILLE, POINT COUPEE,
AND WEST BATON ROUGE)**

FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

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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, 2019, 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.

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 Office of the Public Defender, Eighteenth Judicial District as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule 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 October 4, 2019, on our consideration of the Public Defender'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 solely 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 effectiveness of the Public Defender's 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 Public Defender's internal control over financial reporting and compliance.

Deez, Dupuy & Ruiz

October 4, 2019
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, 2019

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, 2019. 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 increased by \$178,339 over the course of the year's operations.
- The Public Defender's expenses were \$178,339 less than the \$958,350 generated in charges for services and other revenue.
- Revenues increased by 31.6 percent to \$958,350 while expenses for the year increased by 0.4 percent or \$3,039.
- The general fund reported a fund balance of \$492,974, an increase from June 30, 2018 of 57.9 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary 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, 2019

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, 2019

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, 2019

FINANCIAL ANALYSIS OF THE PUBLIC DEFENDER AS A WHOLE

Net position. The Public Defender's net position increased between the year ended 2019 and 2018 to \$497,139. (See Table A-1.)

Table A-1
Public Defender's Net Position

	Governmental Activities	
	June 30, 2019	June 30, 2018
Current and other assets	\$ 496,992	\$ 317,823
Capital assets	4,165	6,557
Total assets	501,157	324,380
Current liabilities	4,018	5,580
Total liabilities	4,018	5,580
Net position		
Net investment in capital assets	4,165	6,557
Unrestricted	492,974	312,243
Total net position	\$ 497,139	\$ 318,800

Net position of the Public Defender's governmental activities increased \$178,339 or 55.9 percent 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 increased from \$312,243 at June 30, 2018, to \$492,974 at the end of the current fiscal year.

Changes in net position. The Public Defender's total revenues increased 31.6 percent to \$958,350. (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 \$3,039 or 0.4 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, 2019

Governmental Activities

Revenues for the Public Defender's governmental activities increased 31.6 percent, while total expenses increased 0.4 percent.

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

	Governmental Activities	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Revenues		
Program revenues		
Charges for services	\$ 739,492	\$ 576,913
General revenues		
State government appropriations	209,981	147,008
Interest	8,877	4,391
Total revenues	<u>958,350</u>	<u>728,312</u>
Expenses		
General Government		
Personnel	272,841	273,730
Professional Services	462,811	457,576
Other Operating	44,359	45,666
Total expenses	<u>780,011</u>	<u>776,972</u>
Increase (decrease) in net position	<u>\$ 178,339</u>	<u>\$ (48,660)</u>

- The cost of all governmental activities for the year increased approximately 0.4 percent to \$780,011 primarily due to the increase in compensation to contract attorneys.

FINANCIAL ANALYSIS OF THE FUND

As the Public Defender completed the year, its governmental fund reported a fund balance of \$492,974, an increase from last year of \$180,731 or 57.9 percent.

General Fund Budgetary Highlights

Over the course of the year, there were amendments made to the general fund budget to reflect increases in court fees, bond fees, state government appropriations, and investment income. Personnel services and related benefits and operating services were amended to reflect an increase from the original budget. Professional services, travel and training and other expenses were 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, 2019

CAPITAL ASSETS

Capital Assets

At June 30, 2019, the Public Defender had invested \$4,165 in capital assets. (See Table A-3.)

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

	Governmental Activities	
	June 30, 2019	June 30, 2018
Equipment	\$ 40,394	\$ 40,394
Accumulated Depreciation	(36,229)	(33,837)
Net Capital Assets	\$ 4,165	\$ 6,557

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 79 percent of its revenues. The Public Defender's future revenues are expected to decrease over the next year while expenditures are expected to increase.

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
(PARISHES OF IBERVILLE, POINTE COUPEE, AND WEST BATON ROUGE)

STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$ 442,277
Intergovernmental receivables	51,867
Prepaid insurance	2,848
Capital assets, net of accumulated depreciation	<u>4,165</u>
 TOTAL ASSETS	 <u>\$ 501,157</u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	<u>\$ 4,018</u>
 TOTAL LIABILITIES	 <u>4,018</u>

NET POSITION

Net investment in capital assets	4,165
Unrestricted	<u>492,974</u>
 TOTAL NET POSITION	 <u>497,139</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 501,157</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, 2019

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense)</u> <u>Revenues and</u> <u>Changes in Net</u> <u>Position</u>
<u>FUNCTIONS/PROGRAMS</u>			
Governmental activities:			
General government	\$ 780,011	\$ 739,492	\$ (40,519)
Total governmental activities:	<u>\$ 780,011</u>	<u>\$ 739,492</u>	<u>(40,519)</u>
General Revenues:			
State government appropriations			209,981
Interest			<u>8,877</u>
Total general revenues			<u>218,858</u>
Change in net postion			178,339
Net position - July 1, 2018			<u>318,800</u>
Net position - June 30, 2019			<u>\$ 497,139</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, 2019

ASSETS

Cash and cash equivalents	\$ 442,277
Intergovernmental receivables	51,867
Prepaid insurance	<u>2,848</u>
TOTAL ASSETS	<u><u>\$ 496,992</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	<u>\$ 4,018</u>
TOTAL LIABILITIES	<u>4,018</u>
Fund Balance	
Nonspendable	2,848
Unassigned	<u>490,126</u>
TOTAL FUND BALANCE	<u>492,974</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 496,992</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, 2019

Total fund balance - Governmental Fund		\$ 492,974
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	\$ 40,394	
Less: accumulated depreciation	<u>(36,229)</u>	<u>4,165</u>
Total net position - Governmental Activities		<u>\$ 497,139</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, 2019

REVENUES

Court fees	\$ 660,737
Bond fees	77,555
State government appropriations	209,981
Local revenue	1,200
Investment income	<u>8,877</u>
 Total Revenues	 <u>958,350</u>

EXPENDITURES

General government	
Personnel services and related benefits	272,841
Travel and training	2,800
Operating services	39,014
Professional services	462,811
Other expenses	153
Capital outlay	<u>-</u>
 Total Expenditures	 <u>777,619</u>

Excess of Revenues Over Expenditures	180,731
 Fund balance, beginning of year	 <u>312,243</u>
 Fund balance, end of year	 <u>\$ 492,974</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, 2019

Excess of Revenues Over Expenditures	\$ 180,731
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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 depreciation exceeded capital outlay.

Capital outlay capitalized	\$ -	
Depreciation expense	<u>(2,392)</u>	<u>(2,392)</u>

Change in Net Position	<u><u>\$ 178,339</u></u>
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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, 2019

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, 2019

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, 2019

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. 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.

G. 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.

H. 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.

I. 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.

J. 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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.

L. 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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS (continued)

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, 2019, the Public Defender had a demand cash account (book balances) totaling \$44,399. 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, 2019, the bank balance of \$40,745 was not exposed to custodial credit risk.

As of June 30, 2019, \$397,878 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.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

2. CASH AND CASH EQUIVALENTS (continued)

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement no.79. The following facts are relevant for 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.

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. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2019, are as follows:

	<u>Machinery and Equipment</u>
Cost of Capital Assets, June 30, 2018	\$ 40,394
Additions	<u>-</u>
Cost of Capital Assets, June 30, 2019	<u>40,394</u>
Accumulated depreciation, June 30, 2018	33,837
Additions	<u>2,392</u>
Accumulated depreciation, June 30, 2019	<u>36,229</u>
Capital assets, net of accumulated depreciation, at June 30, 2019	<u>\$ 4,165</u>

For the year ended June 30, 2019, depreciation expense was \$2,392.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

4. RECEIVABLES

The Public Defender's has receivables of \$51,867 at June 30, 2019. These receivables consist of court fees and bail bonds.

5. 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, 2019.

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, 2019. No claims were paid out or litigation costs incurred during the year ended June 30, 2019.

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, October 4, 2019, 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, 2019

9. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

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

Revenues:

State Government

Appropriations – general	<u>\$ 209,981</u>	
Total		209,981

Local Government

Statutory fines, forfeitures, fees, court costs, and other	<u>739,492</u>	
Total		739,492

Investment earnings

Total Revenues		<u>8,877</u>
		<u>\$ 958,350</u>

Expenditures:

Personnel Services and Benefits

Salaries	\$ 253,253	
Payroll Taxes	<u>19,588</u>	
Total		272,841

Operating Costs

Library and research	22,486	
Contract services – attorney/legal	435,280	
Contract services – other	27,531	
Lease – office	3,960	
Travel – transportation	2,800	
Insurance	1,387	
Supplies	2,975	
Repairs and maintenance	1,155	
Utilities and telephone	6,500	
Other	<u>704</u>	
Total		504,778

Capital Outlay

Total Expenditures		<u>-</u>
		<u>\$ 777,619</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Court fees	\$ 510,000	\$ 654,000	\$ 660,737	\$ 6,737
Bond fees	65,000	79,000	77,555	(1,445)
State government appropriations	204,800	206,000	209,981	3,981
Local revenue	1,200	1,200	1,200	-
Investment income	4,000	8,000	8,877	877
Total Revenues	<u>785,000</u>	<u>948,200</u>	<u>958,350</u>	<u>10,150</u>
<u>EXPENDITURES</u>				
Personnel services and related benefits	271,500	275,500	272,841	2,659
Travel and training	4,200	-	2,800	(2,800)
Operating services	36,000	38,500	39,014	(514)
Professional services	470,800	462,800	462,811	(11)
Other expenses	2,500	-	153	(153)
Total Expenditures	<u>785,000</u>	<u>776,800</u>	<u>777,619</u>	<u>(819)</u>
Excess of Revenues Over Expenditures	-	171,400	180,731	9,331
Fund balance, July 1, 2018	<u>319,360</u>	<u>319,000</u>	<u>312,243</u>	<u>(6,757)</u>
Fund balance, June 30, 2019	<u>\$ 319,360</u>	<u>\$ 490,400</u>	<u>\$ 492,974</u>	<u>\$ 2,574</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, 2019

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

	<u>Totals</u>
Salary	\$ 66,179
Reimbursements	<u>79</u>
	<u>\$ 66,258</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, as of the year ended June 30, 2019, 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 October 4, 2019.

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 opinions 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 Office of the Public Defender, Eighteenth Judicial District '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 Office of the Public Defender, Eighteenth Judicial District '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.



October 4, 2019

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, 2019

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of the Office of the Public Defender, Eighteenth Judicial District were prepared in accordance with GAAP.
2. No significant deficiencies 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, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS

None

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, 2019

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None

B. FINDINGS – COMPLIANCE WITH STATE LAWS AND REGULATIONS

None



INDEPENDENT ACCOUNTANTS' 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, 2018 through June 30, 2019. The Public Defender's management is responsible for those C/C areas identified in the SAUPs. 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

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*. 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, 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 procedures and associated findings are as follows:

Written Policies and Procedures

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

- 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: Management intends to amend the policy to address how vendors are added to the vendor list. Effective immediately, a current vendor list will be provided to the district defender on a monthly basis for his review and approval. 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/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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.

Written policies and procedures were obtained and address the functions noted above with the exception of the requirement that all employees, annually attest through signature verification that they have read the entity's ethics policy.

Management's response: Management intends to amend the policy to include this requirement.

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

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

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Office of the 18th Judicial District Public Defender does not have a disaster recovery/business continuity policy.

Management's response: Management intends to prepare a disaster recovery/business continuity policy.

Collections

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

Obtained listing of deposit sites and management's representation that the listing is complete.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Cash collections are performed by five individuals at three collection locations. No exceptions noted for 3 individuals at three collection locations. Cash drawers were shared by two employees at one location.

Management's Response: The two employees that share cash drawers do not prepare bank deposits or record transactions into the general ledger. Bank deposits are prepared and transactions are recorded by an outside individual hired to perform accounting functions for the Public Defender.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

No exceptions noted for four of five individuals responsible for collecting cash. One individual responsible for collecting cash is responsible for preparing/making bank deposits without another individual reconciling collection documentation to the deposit.

Management's Response: The individual responsible for collecting cash is responsible for preparing/making bank deposits without another individual reconciling collection documentation to the deposit is an outside individual hired to perform accounting functions for the Public Defender. The Public Defender reviews monthly financial statements and bank reconciliations and feels this is the most cost-effective oversight with the limited resources available.

- 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.

No exceptions noted for four of five individuals responsible for collecting cash. One individual responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers without another individual reconciling collection documentation to the deposit.

Management's Response: The individual responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers without another individual reconciling collection documentation to the deposit is an outside individual hired to perform accounting functions for the Public Defender. The Public Defender reviews monthly financial statements and bank reconciliations and feels this is the most cost-effective oversight with the limited resources available.

- 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.

One individual responsible for collecting cash is responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, without another individual reconciling collection documentation to the deposit.

Management's Response: The individual responsible for collecting cash is responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, is an outside individual hired to perform accounting functions for the Public Defender. The Public Defender reviews monthly financial statements and bank reconciliations and feels this is the most cost-effective oversight with the limited resources available.

4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

No exceptions noted.

5. 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:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- 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).

We found that there were thirteen deposits made on the two deposit dates selected. Four of the thirteen deposits selected were made within one business day of collection. Nine of thirteen deposits were not made within one week of the collections.

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 and limited number of employees, collections are held at times. Efforts will continue to be made to deliver receipts to the deposit site in a reasonable time frame for the resources available to the Public Defender.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

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

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

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

- 7. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

The Public Defender does not utilize a requisition/purchase order system or an equivalent. Therefore, purchases are not 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. However, written policies and procedures exist to segregate duties to the extent possible with the resources available.

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

No exceptions noted.

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

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. Although, periodic review of changes to vendor files do not occur, 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.

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

There are two people with signatory authority, the Public Defender and the contracted CPA hired to perform accounting functions for the Public Defender. Checks require dual signatures and the contracted CPA also mails the payment.

Management's response: Due to the limited number of resources available, the Public Defender's payments are mailed by an individual that is responsible for processing payments. The Public Defender is unable to adequately segregate this duty.

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

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

No exceptions noted.

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

No exceptions noted.

Payroll and Personnel

9. 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.

Obtained listing of employees and management's representation that listing was complete. No exceptions noted.

10. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

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

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

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

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

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

Management's response: Management is currently reviewing policies and plans to implement procedures effective immediately to document, approve and maintain attendance and leave records.

11. 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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

This procedure is not applicable.

12. 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.

No exceptions noted.

Ethics

13. 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.

No exceptions noted.

- 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.

No exceptions noted.

Other

14. 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 exceptions noted.

15. 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.

No exceptions noted.

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.

Diez, Dupuy + Ruiz

Gonzales, Louisiana
October 4, 2019