

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

FINANCIAL REPORT

For the Year Ended June 30, 2019

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

For the Year Ended June 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
FINANCIAL SECTION:	
INDEPENDENT AUDITOR'S REPORT	6
BASIC FINANCIAL STATEMENTS	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Fund to the Statement of Activities	13
<i>Notes to the Financial Statements</i>	14
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules– Major Governmental Fund <i>General Fund</i>	32
Schedule of the Proportionate Share of the Net Pension Liability – PERS – Plan B	33
Schedule of Contributions – PERS – Plan B	33
Notes to the Required Supplementary Information – PERS – Plan B	33
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Compensation, Benefits, and Other Payments to the Agency Head	34
REPORTS REQUIRED BY GAO	
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	35

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019**

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019**

Fund Financial Statements

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

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

FINANCIAL HIGHLIGHTS

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

- Net position of our governmental funds decreased by \$35,591 or approximately 13%.
- During the year, expenses of \$946,022 were \$42,525 more than the \$903,497 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance (all considered unassigned) of \$243,046. Fund balance for governmental activities decreased by \$11,024 from the prior period.

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019**

FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE (GWFS)

The net position was \$231,931 at the end of the current fiscal year, which was a 13% decrease from the prior fiscal year. Following is a summary of the government-wide Statement of Net Position:

	2019	2018	Dollar Change
Current and Other Assets	\$ 246,009	\$ 257,842	\$ (11,833)
Capital Assets	2,212	3,358	(1,146)
Total Assets	<u>248,221</u>	<u>261,200</u>	<u>(12,979)</u>
Deferred outflows of resources	126,992	45,344	81,648
Current liabilities	2,963	3,772	(809)
Net pension liability (asset)	114,354	(49,473)	163,827
Total Liabilities	<u>117,317</u>	<u>(45,701)</u>	<u>163,018</u>
Deferred inflows of resources	25,965	84,723	(58,758)
Net Invested in Capital Assets	2,212	3,358	(1,146)
Unassigned	229,719	264,164	(34,445)
Total Net Position	<u>\$ 231,931</u>	<u>\$ 267,522</u>	<u>\$ (35,591)</u>

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

The Office received an operating grant from the state of a little over \$400,000, an increase from the prior year.

The total revenues for the year in governmental activities were \$910,431 (\$502,099 in charges for services; \$401,398 in operating grants and contributions; and \$6,934 in investment earnings and other revenues).

The total cost of all judicial programs and services was \$946,022 which was a 7.7% increase from the prior fiscal year.

Following is a summary of the government-wide Statement of Activities:

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019**

	2019	2018	Dollar Change
Total program expenses	\$ (946,022)	\$ (878,055)	\$ (67,967)
Total program revenues	903,497	876,801	26,696
Net program income	(42,525)	(1,254)	(41,271)
General revenues	6,934	13,138	(6,204)
Change in Net Position	(35,591)	11,884	(47,475)
Net Position:			
Beginning of the year	267,522	255,638	11,884
End of the year	\$ 231,931	\$ 267,522	\$ (35,591)

FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS (FFS)

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

The general fund reported an ending fund balance of \$243,046 – all considered unassigned. This reflects an decrease of \$11,024 from the prior period. This decrease is primarily due to the same results described within the analysis of the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year. Estimated revenues and expenditures when compared to actual amounts were in compliance with the Louisiana Local Budget Act.

CAPITAL ASSETS

The Office investment in capital assets, net of accumulated depreciation, for governmental activities was \$2,212. This year, there was no additions or dispositions in capital assets. Depreciation expense of \$1,146 was charged to the governmental activities. More detailed information about the capital assets is presented in Note 5 to the financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019**

NET PENSION LIABILITY

The Office recorded the Net Pension Liability (Asset) in the amount of \$114,354 in the current year in accordance with the implementation of GASB 68. More detailed information about the long-term liability is presented in Note 6 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Among the factors considered in compiling the 2020 budget were:

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

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

Projected Beginning Balance	\$93,000
Anticipated Income	993,007
Anticipated Expenditures	993,007
Excess Expenditures over Revenues	0
Projected Ending Balance	\$93,000

CONTACTING THE OFFICE 'S FINANCIAL MANAGEMENT

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

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

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defender Board as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2019, on our consideration of the Seventeenth Judicial District Office of the Indigent Defenders' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* in considering the office's internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
December 19, 2019



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

Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 207,985
Due from other governments	38,024
Total current assets	246,009
Noncurrent assets:	
Capital assets, net of depreciation	2,212
Total assets	\$ 248,221
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - contributions	16,601
Deferred outflows of resources - other	110,391
Total deferred outflows of resources	126,992
 LIABILITIES	
Accounts payable	\$ 2,963
Total current	2,963
Long-term:	
Net Pension liability (asset)	114,354
Total liabilities	117,317
DEFERRED INFLOWS OF RESOURCES	25,965
 NET POSITION	
Net invested in capital assets	2,212
Unrestricted	229,719
Total net position	\$ 231,931

See notes to financial statements.

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

Statement of Activities
For the Year Ended June 30, 2019

Expenses:

Governmental activities - General government - Judicial:

Personnel services	\$ 457,979
Related benefits	126,555
Panel attorneys and witness fees	261,638
Law library	2,618
Legal and accounting	17,292
Insurance	10,048
Office supplies	26,103
Dues and subscriptions	1,455
Travel, conventions, and training	2,489
Rent	29,400
Telephone	9,299
Depreciation	1,146
Total program expenses	<u>946,022</u>

Program revenues:

Charges for services	502,099
Operating grants and contributions	401,398
Total program revenue	<u>903,497</u>
Net program revenue	<u>(42,525)</u>

General revenues:

Unrestricted investment earnings	146
Other	6,788
Total general revenues	<u>6,934</u>
Increase (Decrease) in net position	<u>(35,591)</u>

Net position:

Beginning of the year	267,522
End of the year	<u>\$ 231,931</u>

See notes to financial statements.

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

Balance Sheet - Governmental Fund

June 30, 2019

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 207,985
Due from other governments	38,024
TOTAL ASSETS	<u>\$ 246,009</u>
 LIABILITIES AND FUND EQUITY	
Accounts Payable	\$ 2,963
TOTAL LIABILITIES	<u>2,963</u>
 Fund balances -	
Unassigned	243,046
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 246,009</u>
 RECONCILIATION TO STATEMENT OF NET POSITION:	
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources	2,212
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds	
Net Pension (Liability) Asset	(114,354)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows of resources - contributions	16,601
Deferred outflows of resources - other	<u>110,391</u>
	126,992
Deferred inflows of resources related to pensions	(25,965)
Net position of governmental activities	<u>\$ 231,931</u>

See notes to financial statements.

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

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

REVENUES	
Court cost on fines and forfeitures	\$ 502,099
Intergovernmental	401,398
Interest Income	146
Other	6,788
TOTAL REVENUES	910,431
 EXPENDITURES - JUDICIAL:	
Current:	
Salaries and related benefits	457,113
Related benefits	103,134
Panel attorneys and expert witness fees	261,638
Law library	2,618
Legal and accounting	17,292
Insurance	10,048
Office supplies	26,103
Advertising	866
Dues and subscriptions	1,455
Travel, conventions, and training	2,489
Rent	29,400
Telephone and utilities	9,299
Total current expenditures	921,455
Capital outlay	-
TOTAL EXPENDITURES	921,455
 NET CHANGE IN FUND BALANCE	 (11,024)
FUND BALANCE:	
Beginning of year	254,070
End of year	\$ 243,046

See notes to the financial statements.

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

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

Net change in fund balances - governmental fund (FFS) \$ (11,024)

Amounts reported for *governmental activities* in the statement of activities (GWFS) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.

Capital outlay	-	
Depreciation expense	<u>(1,146)</u>	(1,146)

Repayment of Non-current liabilities are reported as an expenditure in governmental funds, but the payment reduces long-term obligations in the statement of net position. In the current year, these amounts consists of:

Pension expense and deferrals	<u>(23,421)</u>	
Change in net assets of governmental activities (GWFS)	<u>\$ (35,591)</u>	

See notes to financial statements.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

INTRODUCTION

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting entity

The Seventeenth Judicial District Office of the Indigent Defenders is considered a component unit of the Louisiana Public Defender Board. The District Director's authority is contingent upon the approval of the Louisiana Public Defender Board, who appointed and may relieve the District Director of his duties.

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

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

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

C. Fund accounting

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

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated absences

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

H. Equity

Net Position – Government -wide

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

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

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Estimates

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

J. Pension Plans

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

K. Deferred Outflows/Inflows of Resources

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

- The Deferred Outflow of resources related to pension contributions. This deferred charge is the amount of the contributions paid after the pension plan measurement dates (December 31, 2018) with regards to GASB 68. These employer contributions from January 2019-June 2019 were \$16,601. This amount will be amortized using a straight line amortization method over a period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

Note 1 Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources (continued)

- Another amount in the deferred outflows category is the deferral of other pension liability related outflows. This deferred charge is the proportionate share of deferred outflows at December 31, 2018 (the pension plan measurement date), which includes the changes in employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date and were recognized in the Office's pension expense/(benefit) using a straight amortization method over a period equal to the average of the expected remaining services lives (4 years) of all employees that are provided pensions through the pension plan.
- This category also includes the differences between projected and actual investment earning on pension plan investments which were recognized as pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives (5 years) of the employees in the pension plans.
- Changes in assumptions about future economic or demographic factors which were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pension through the plan.

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 2 BUDGETS

A balanced operating budget is prepared by the District Director and the Financial Officer. The budget may be amended during the year as conditions dictate so long as it remains in balance. The original budget was not amended during the year. The current fiscal year total budget for revenue and expenditures was in compliance with the Louisiana Local Budget Act.

NOTE 3 DEPOSITS

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

ACCOUNT	
Capital One interest-bearing checking account	\$ 103,150
South Lafourche Bank certificate of deposit	104,835
TOTAL	\$ 207,985

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

For the year ended, the Office had \$219,720 in deposits (collected bank balances). These deposits are secured fully by federal deposit insurance; therefore, none of the deposits were exposed to custodial credit risk.

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 4 DUE FROM OTHER GOVERNMENTS

The balance due from other governments of \$38,024 is for court cost, fines and forfeitures fees collected and due from other governmental entities as follows:

Lafourche Parish Sheriff	\$ 29,584
City Court of Thibodaux	\$ 8,440

NOTE 5 CAPITAL ASSETS

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

Governmental activities	Furniture, Equipment, And Library
Total Cost of assets at June 30, 2018	\$ 45,785
Additions	-
Deletions/Adjustments	-
Total Cost of assets at June 30, 2019	45,785
Less: Accumulated Depreciation	(43,573)
Total capital assets, net	\$ 2,212

Depreciation expense of \$840 was charged to governmental activities.

NOTE 6 PENSION PLAN

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

Plan Description and Provisions

All full-time employees are members of the Parochial Employees Retirement System of Louisiana (PERS) a cost sharing multiple-employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statutes (LRS), through 2025. The (PERS) was originally established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

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

All permanent eligible government employees who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. The Office participates in Plan B. The types of benefits provided under this plan include:

Retirement Benefits

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

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

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

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

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

Survivor Benefits

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

Deferred Retirement Option Plan Benefits

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

Upon termination of employment prior to or at the end of the specified period of participation, a participant in DROP may receive at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

Disability Benefits

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

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

Cost of Living Increases

The board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also the Board may provide a cost of living increase up to 2.5% for retiree 62 and older. (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions

Contributions by employers are actuarially determined each year. For the measurement year ended December 31, 2018, the employer's actuarially determined contribution rate was 7.10%, however, the actual rate was 7.50%. Member contributions are established by state statute at 3% of compensation for Plan B members. The contributions are deducted from the member's salary and remitted by the participating employer. Contributions to the pension plan totaled \$33,772 for the year ended June 30, 2019.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except Orleans and East Baton Rouge parishes. The system also received revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities, but are not considered special funding situations.

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

As of June 30, 2019, the Office reported a total of \$114,354 for its proportionate share of the net pension liability (asset) of the Parochial Employees Retirement System of Louisiana (PERS).

The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

The proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018 and December 31, 2017, the proportion of the plan was as follows:

<u>Plan</u>	<u>Proportionate share</u>	
	<u>12/31/18</u>	<u>12/31/17</u>
PERS	.423276%	.393203%

For the fiscal year ended June 30, 2019, the Office recognized pension expense of \$62,746.

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

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in proportion	\$ 310	\$ (486)
Changes of Assumption	31,775 78,306	
Differences between expected and actual experience		(25,479)
Office's contributions subsequent to the measurement date	<u>16,601</u>	<u>-</u>
	<u>\$ 126,992</u>	<u>\$ (25,965)</u>

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2019	\$26,770
2020	\$12,060
2021	\$11,324
2022	\$34,272

Actuarial assumptions:

The total pension liabilities in the December 31, 2018, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

<u>Plan</u>	<u>PERS</u>
Inflation	2.40%
Salary increases	4.25%
Investment rate of return	6.50%
Actuarial cost method	Entry age normal
Expected remaining service lives	4 years

The Cost of Living Adjustments were the present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

Mortality rates for PERS were based on the Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females for active members, MP2018 scale for annuitants and beneficiaries. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females for active members using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females for active members, MP2018 scale for disabled annuitants.

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

The long term expected rate of return on pension plan investments was determined using a triangulation method which integrates CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

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

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

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

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
PERS	\$300,857	\$114,354	\$ (41,458)

Pension plan fiduciary net position:

Detailed information about the Plans' fiduciary net position is available in the separate issued financial statements of the Plans. The Parochial Employees' Retirement System issues a stand-alone audit report on its financial statements for the year ended December 31, 2018. Access to the audit report can be found on the System's website: www.persla.org or on the Office of the Louisiana Legislative Auditor's official website: www.la.state.la.us.

Support of Non-employer contributing entities:

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Office recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employers contributing entities.

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

NOTE 6 PENSION PLAN (Continued)

During the year ended June 30, 2019, the Office recognized revenue as a result of support received from non-employer contributing entities of \$5,553 for its participation in PERSL.

Payables to the pension plans:

At June 30, 2019, there were no amounts due to the pension plan for employer and employee required contributions.

NOTE 7 RISK MANAGEMENT

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

NOTE 8 OPERATING LEASE

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

NOTE 9 GOVERNMENTAL FUND REVENUES AND EXPENDITURES

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

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS
Notes to the Financial Statements
For the Year Ended June 30, 2019**

Revenues:

State Government			
Grants		<u>\$ 401,398</u>	
Total			\$ 401,398
Local Government			
Statutory fines, forfeitures, fees, court costs and other		<u>502,099</u>	
Total			502,099
Investment Earnings			146
Miscellaneous			<u>6,788</u>
Total Revenues			<u><u>\$ 910,431</u></u>

Expenditures:

Personnel Services and Benefits			
Salaries		\$ 457,113	
Retirement Contributions		33,972	
Health Insurance		34,823	
Payroll taxes		<u>34,339</u>	
Total			\$ 560,247
Professional Development			
Dues, licenses, and registrations		1,455	
Travel and training		<u>2,489</u>	
Total			3,944
Operating Cost			
Library and research		2,618	
Contract Services - Attorney/Legal		261,638	
Lease - Office		29,400	
Insurance		10,048	
Supplies		26,103	
Legal and accounting		17,292	
Utilities and telephone		10,165	
Total			<u>357,264</u>
Total Expenditures			<u><u>\$ 921,455</u></u>

***REQUIRED SUPPLEMENTARY
INFORMATION***

**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF THE INDIGENT DEFENDERS**
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget**	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Court cost on fines and forfeitures	548,000	\$ 548,000	\$ 502,099	\$ (45,901)
Intergovernmental	389,816	389,816	401,398	11,582
Interest Income	184	184	146	(38)
Other	-	-	6,788	6,788
Total revenues	<u>938,000</u>	<u>938,000</u>	<u>910,431</u>	<u>(27,569)</u>
EXPENDITURES				
Current- Judicial				
Salaries	480,808	480,808	457,113	23,695
Related benefits	121,134	121,134	103,134	18,000
Panel attorneys	238,600	238,600	261,638	(23,038)
Law library	2,000	2,000	2,618	(618)
Legal and accounting	22,000	22,000	17,292	4,708
Attorney & Investigation expense -				
Major felonies & capital cases	14,000	14,000	-	14,000
Insurance	13,700	13,700	10,048	3,652
Office supplies	24,000	24,000	26,103	(2,103)
Advertising	2,000	2,000	866	1,134
Dues and subscriptions	2,500	2,500	1,455	1,045
Travel, conventions, and training	1,500	1,500	2,489	(989)
Rent	32,000	32,000	29,400	2,600
Telephone and utilities	12,000	12,000	9,299	2,701
Total current expenditures	<u>966,242</u>	<u>966,242</u>	<u>921,455</u>	<u>44,787</u>
Capital outlay	-	-	-	-
Total expenditures	<u>966,242</u>	<u>966,242</u>	<u>921,455</u>	<u>44,787</u>
NET CHANGE IN FUND BALANCE	(28,242)	(28,242)	(11,024)	17,218
FUND BALANCE:				
Beginning of the year	98,241	254,070	254,070	-
End of the year	<u>\$ 69,999</u>	<u>\$ 225,828</u>	<u>\$ 243,046</u>	<u>\$ 17,218</u>

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

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

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET):**

Audit Period Mesasurement Date	06/30/16 12/31/15	06/30/17 12/31/16	06/30/18 12/31/17	06/30/19 12/31/18
Proportion of the net pension liability	0.483706%	0.437930%	0.393203%	0.423276%
Proportionate share of the net pension liability (asset)	\$ 77,816	\$ 56,873	\$ (49,473)	\$ 114,354
Covered employee payroll	\$ 432,025	\$ 436,121	\$ 417,649	\$ 435,238
Proportionate share of the net pension liability as a percentage of its covered employee payroll	18.01%	13.04%	-11.85%	26.27%
Plan fiduciary net position as a percentage of the total pension liability	93.48%	95.50%	104.02%	91.93%

SCHEDULE OF CONTRIBUTIONS:

Contractually required contribution	\$ 36,722	\$ 33,206	\$ 31,836	\$ 33,211
Contributions paid	(36,722)	(33,206)	(31,836)	(33,211)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 432,025	\$ 436,121	\$ 417,649	\$ 435,238
Contribution as a percentage of covered	-8.50%	-7.61%	-7.62%	-7.63%

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

Notes to Required Supplementary Information:

<i>Changes of Benefit Terms include:</i>	no change	no change	no change	
<i>Changes of Assumptions:</i>				
Inflation Rate	2.50%	2.50%	2.50%	2.40%
Project Salary Increases	5.25%	5.25%	5.25%	4.25%
Discount Rate	7.25%	7.00%	6.75%	6.50%
Actuarial Cost method-Plan B	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal

***OTHER SUPPLEMENTARY
INFORMATION***

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

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

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

Purpose	Amount
Salary	\$72,834
Benefits - FICA & Medicare	\$5,572
Benefits - retirement	\$5,463
Contract Labor	\$0
Car Allowance	\$0
Vehicle provided by government	\$0
Per Diem	\$0
Reimbursements/Office Expense	\$1,565
Travel	\$362
Registration fees	\$0
Conference travel	\$0
Continuing professional education fees	\$0
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Fuel	\$0
Dues - LACDL Membership	\$280
Cell Phone	\$0
Other	\$0

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Seventeenth Judicial District Office of the Indigent Defenders, State of Louisiana, a component unit of the Louisiana Public Defender Board as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Stagni & Company

Thibodaux, Louisiana
December 19, 2019



**SEVENTEENTH JUDICIAL DISTRICT
OFFICE OF INDIGENT DEFENDERS**

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

*As of and for the Year Ending
June 30, 2019*



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT Seventeenth Judicial District Office of Indigent Defenders

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2018 – June 30, 2019

To the Board Members of the
Seventeenth Judicial District Office of Indigent Defenders and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Seventeenth Judicial District Office of Indigent Defenders (IDO) 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 IDO's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are 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
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business**, 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 software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processed, and tools needed to recover operations after a critical event.

Results: *The policies of the IDO address all of the functions listed; no exceptions noted.*

Board or Finance Committee

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



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

Results: *This section is not applicable; there is no board/finance committee.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.



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

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.



10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*



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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*



Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2018), therefore was excluded from testing in Year 3 (June 30, 2019).*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: *One of the 5 employees tested for 20a) did not complete one hour of ethics training during the fiscal year. In addition, none of the employees attested through signature verification that he or she had read the entity's ethics policy.*



Managements response: *The ethics policy states that employees must complete the training but do not have to verify that they have read the ethics policy. These requirements will be added to the employment contracts that are renewed each year.*

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Results: *These procedures are not applicable.*

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *The IDO did not have exceptions in this category in Year 2 (June 30, 2019), therefore was excluded from testing in Year 3 (June 30, 2019).*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Stagni & Company

Thibodaux, LA
December 19, 2019



STAGNI & COMPANY, LLC
