

# **PUBLIC DEFENDER'S OFFICE**

**NINTH JUDICIAL DISTRICT**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**



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

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

December 4, 2017

INDEPENDENT AUDITOR'S REPORT

To the District Defender  
Ninth Judicial District  
State of Louisiana

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Public Defender's Office for the Ninth Judicial District, a component unit of the Louisiana Public Defender Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Public Defender's Office, as of June 30, 2017, 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 the information listed below to supplement the basic financial statements.

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

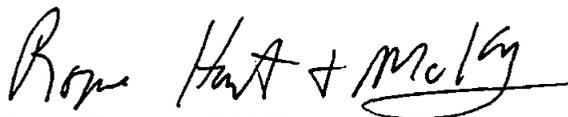
Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.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

**Other Supplemental Information**

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

**Other Reporting Required by Government Auditing Standard**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Office's internal control over financial reporting and compliance.



Rozier, Harrington & McKay  
Certified Public Accountants

# **PUBLIC DEFENDER'S OFFICE**

## **NINTH JUDICIAL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2017**

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This section of annual financial report presents our discussion and analysis of the Office's financial performance during the fiscal year ended June 30, 2017, along with certain comparative information for the previous year.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

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

##### **Government –Wide Financial Statements**

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

##### **Fund Financial Statements**

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

#### **FINANCIAL ANALYSIS OF THE OFFICE AS A WHOLE**

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

**PUBLIC DEFENDER'S OFFICE**  
**NINTH JUDICIAL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

	For the Year Ended	
	June 30,	
	2017	2016
<b><u>Assets:</u></b>		
Cash	\$ 235,364	\$ 200,661
Receivables and Prepaids	46,283	47,580
Depreciable capital assets, net	4,147	3,543
<b>Total Assets</b>	<b>285,794</b>	<b>251,784</b>
Deferred Outflows	99,639	174,087
<b><u>Liabilities:</u></b>		
Accounts Payable	4,497	6,999
Compensated Absences	2,906	4,448
Net Pension Liability	83,796	140,131
<b>Total Liabilities</b>	<b>91,199</b>	<b>151,578</b>
Deferred Inflows	15,186	22,271
<b><u>Net Position:</u></b>		
Unrestricted	274,901	248,479
Invested in Capital Assets	4,147	3,543
<b>Total Net Position</b>	<b>\$ 279,048</b>	<b>\$ 252,022</b>

As the presentation appearing above demonstrates, with the exception of \$4,147 invested in capital assets, the Office's net position are unrestricted and may be used to meet the Office's ongoing obligations.

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

	For the Year Ended	
	June 30,	
	2017	2016
<b><u>Revenues:</u></b>		
<b>Program Revenue:</b>		
State Grants	\$ 497,396	\$ 344,273
Local Funds	596,336	574,885
Charges for Service	33,030	45,981
<b>General Revenue:</b>		
Other	618	383
<b>Total Revenue</b>	<b>1,127,380</b>	<b>965,522</b>
<b><u>Program Expenses:</u></b>		
General Government - Judicial	1,100,354	980,692
Change in Net Position	27,026	(15,170)
Net Position Beginning	252,022	267,192
<b>Net Position Ending</b>	<b>\$ 279,048</b>	<b>\$ 252,022</b>

**PUBLIC DEFENDER'S OFFICE**  
**NINTH JUDICIAL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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

**FINANCIAL ANALYSIS OF THE OFFICE'S FUNDS**

For the year ended June 30, 2017, differences between the government-wide presentation and the fund financial statements were limited to reporting equipment and related depreciation and amounts related to pension funding in the government-wide presentation.

**BUDGET HIGHLIGHTS**

State law requires the general fund to have a budget. For the year ended June 30, 2017, no amendments were necessary to the original budget.

**CAPITAL ASSET ADMINISTRATION**

For the year ended June 30, 2017, capital asset activity was limited to the addition of a new phone system and depreciation of existing assets.

**DEBT ADMINISTRATION**

For the year ended June 30, 2017, there was no debt activity and no debts are outstanding at year end.

**FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS**

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

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

***Statement of Net Positon***  
***June 30, 2017***

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	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash	\$ 235,364
Receivables	46,283
Depreciable Assets	<u>4,147</u>
<b>Total assets</b>	<u>285,794</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension Funding Deferrals	<u>99,639</u>
<b><u>LIABILITIES</u></b>	
Accounts payable	1,153
Other Liabilities	3,344
Long-term Liabilities	
Compensated Absences	2,906
Net Pension Liability	<u>83,796</u>
<b>Total liabilities</b>	<u>91,199</u>
<b><u>DEFERRD INFLOWS OF RESOURCES</u></b>	
Pension Funding Deferrals	<u>15,186</u>
<b><u>NET POSITION</u></b>	
Unrestricted	274,901
Invested in Capital Assets	<u>4,147</u>
<b>Total net position</b>	<u>\$ 279,048</u>

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

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

***Statement of Activities***  
***Year Ended June 30, 2017***

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	<u>Governmental Activities</u>
Expenses:	
General Government - Judicial	
Payroll & Related Benefits	\$ 337,816
Contract Attorneys	635,039
Insurance	20,428
Rent	18,100
Legal & Professional	21,820
Office Expense	26,911
Utilities & Telephone	12,306
Other	<u>27,934</u>
Total Expenses	<u>1,100,354</u>
 Program Revenues:	
Charges for Services	33,030
Operating Grants and Contributions	
State	497,396
Local	<u>596,336</u>
Total Program Revenues	<u>1,126,762</u>
 Net Income (Expenses) - Governmental Activities	<u>26,408</u>
 General Revenues:	
Other	<u>618</u>
Total General Revenues	<u>618</u>
 Change in Net Position	27,026
Net Position - Beginning	<u>252,022</u>
 Net Position - Ending	<u>\$ 279,048</u>

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

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

***Balance Sheet***

***Governmental Funds***

***June 30, 2017***

<u>Assets</u>	<u>General</u>
Cash	\$ 235,364
Receivables	46,283
<b>Total Assets</b>	<b>\$ 281,647</b>
 <u>Liabilities and Fund Balance</u> 	
<b><u>Liabilities</u></b>	
Accounts Payable	\$ 1,153
Other Liabilities	3,344
<b>Total Liabilities</b>	<b>4,497</b>
 <b><u>Fund Balance</u></b>	
Unassigned	277,150
<b>Total Fund Balances</b>	<b>277,150</b>
 <b>Total Liabilities and Fund Balance</b>	 <b>\$ 281,647</b>

Total Fund Balances - Governmental Funds	\$ 277,150
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(2,249)
Amounts reported for governmental activities in the Statement of Net Position are different because capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,147
<b>Net Position of Governmental Activities</b>	<b>\$ 279,048</b>

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

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

***Statement of Revenue, Expenditures and Changes in Fund Balance***  
***Governmental Funds***  
***Year Ended June 30, 2017***

	<u>General</u>
<b>Revenues:</b>	
Intergovernmental	
State Funds	\$ 497,396
Local Funds	596,336
Indigent Fees	33,030
Other	618
<b>Total revenues</b>	<u>1,127,380</u>
<b>Expenditures:</b>	
General Government - Judicial	
Payroll & Related Benefits	326,788
Contract Attorneys	635,039
Insurance	16,007
Rent	18,100
Legal & Professional	21,820
Office Expense	26,911
Utilities & Telephone	12,306
Capital Outlay	3,664
Travel & Other	24,875
<b>Total expenditures</b>	<u>1,085,510</u>
<b>Excess (deficiency) of revenues over expenditures</b>	41,870
<b>Fund balance - beginning of year</b>	<u>235,280</u>
<b>Fund balance - end of year</b>	<u>\$ 277,150</u>

Net change in fund balances of Governmental Funds	\$ 41,870
Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital expenditures in the current period.	604
Long-term liabilities reported in the statement of activities includes pension obligations incurred in connection with participation in multi employer cost sharing pension plans. Changes in the pension obligation affect the statement of activities	(11,028)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds until payment is made	<u>(4,420)</u>
Change in net position of governmental activities	<u>\$ 27,026</u>

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

# **PUBLIC DEFENDER'S OFFICE**

## **Ninth Judicial District**

### **Notes to Financial Statements**

**For the Period Ended June 30, 2017**

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

#### **Financial Reporting Entity**

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

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

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

#### **Basic Financial Statements**

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

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

**PUBLIC DEFENDER’S OFFICE**  
**Ninth Judicial District**

**Notes to Financial Statements**  
**For the Period Ended June 30, 2017**

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**Government-Wide Financial Statements**

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

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

**Fund Accounting**

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

**Basis of Accounting and Measurement Focus**

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

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

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

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

**Use of Estimates**

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

**Budgets**

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

**PUBLIC DEFENDER’S OFFICE**  
**Ninth Judicial District**

**Notes to Financial Statements**  
**For the Period Ended June 30, 2017**

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**Cash**

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

**Compensated Absences**

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

**Capital Assets**

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

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

**NOTE 2 - CASH**

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

At June 30, 2017, the Public Defender’s Office has \$283,615 in deposits (collected bank balance). These deposits are secured by FDIC coverage in the amount of \$250,000 and pledged securities of \$501,246.

**NOTE 3 - RECEIVABLES**

At June 30, 2017, consisted entirely of amounts due from governmental sources, which are described as follows:

Rapides Parish Sheriff’s Office	\$	26,629
City of Alexandria		11,068
City of Pineville		7,752
Other		834
<hr/>		
Total	\$	46,283

**PUBLIC DEFENDER'S OFFICE**  
**Ninth Judicial District**

**Notes to Financial Statements**  
**For the Period Ended June 30, 2017**

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**NOTE 4 – CAPITAL ASSETS**

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

	Beginning Balance	Additions	Disposals	Ending Balance
<b><u>Capital Assets Being Depreciated:</u></b>				
Furniture and Equipment	\$ 13,218	\$ 3,664	\$ 7,575	\$ 9,307
Less Accumulated Depreciation	9,675	507	5,022	5,160
<b>Total Net of Depreciation</b>	<b>\$ 3,543</b>	<b>\$ 3,157</b>	<b>\$ 2,553</b>	<b>\$ 4,147</b>

**NOTE 5 - RISK MANAGEMENT**

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

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

**NOTE 6 – PENSION PLAN**

**Parochial Employees Retirement System**

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Parochial Employees Retirement System	\$ 83,796	\$ 99,639	\$ 15,186

Further information regarding the retirement system is furnished as follows:

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

# PUBLIC DEFENDER'S OFFICE

## Ninth Judicial District

### Notes to Financial Statements

For the Period Ended June 30, 2017

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

*Funding Policy* - Employees are required to contribute 9.5% of their salaries to the System. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current rate is 12.50% of annual covered payroll. The contribution requirements of the plan members and the Public Defender's Office are established and may be amended by state statute. In addition, contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. Contributions to the retirement system for the year ended June 30, 2017 and each of the two preceding years have been consistent with the required amounts.

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

Plan A's net pension liability was determined at December 31, 2016 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,519,868,332
Plan Fiduciary Net Pension	3,313,917,014
Net Pension Liability	<u>205,951,318</u>
Public Defender's Office's Proportionate Share (Percentage)	0.040688%
Public Defender's Office's Proportionate Share (Amount)	<u>\$ 83,796</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Public Defender's Office proportionate share of Plan A's net pension liability during the measurement period ending December 31, 2016 are provided as follows:

Beginning Net Pension Liability	\$ 140,131
Employer Contributions	(31,505)
Pension Expense	47,133
Deferred Outflows of Resources	(79,048)
Deferred Inflows of Resources	<u>7,085</u>
Ending Net Pension Liability	<u>\$ 83,796</u>

There were no changes between June 30, 2017 and the Plan A's measurement date that are expected to have a significant effect on the Public Defender's Office's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

# PUBLIC DEFENDER'S OFFICE

## Ninth Judicial District

### Notes to Financial Statements

For the Period Ended June 30, 2017

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	Deferred Outflows of Resources	Deferred Inflows of Resources	Total (Net)
Differences Between Expected and Actual Experience	\$ ----	\$ 14,664	\$ (14,664)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	65,030	----	65,030
Changes of Assumptions	15,909	----	15,909
Changes in Proportion	778	522	256
Employer Contributions Made After the Measurement Date	17,922	----	17,922
Total Deferrals	99,639	15,186	84,453
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	(17,922)	----	(17,922)
Deferrals Subject to Amortization	<u>\$ 81,717</u>	<u>\$ 15,186</u>	<u>\$ 66,531</u>

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

<u>For the Year Ending:</u>	
December 31, 2017	\$ 24,993
December 31, 2018	26,345
December 31, 2019	16,950
December 31, 2020	(1,757)
December 31, 2021	----
Total	<u>\$ 66,531</u>

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

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.00%, net of investment expense, including inflation
Projected Salary Increases	5.25% (2.75% Merit, 2.50% Inflation)
Expected Remaining Service Lives	4 Years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Inflation Rate	2.50%

**PUBLIC DEFENDER’S OFFICE**  
**Ninth Judicial District**

**Notes to Financial Statements**  
**For the Period Ended June 30, 2017**

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

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

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan A members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan A members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (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 7.66% for the year ended December 31, 2016.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Fixed Income	35%	1.24%
Equity	52%	3.63%
Alternatives	11%	0.67%
Real Assets	2%	0.12%
Total	100%	5.66%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.66%

**PUBLIC DEFENDER'S OFFICE**  
**Ninth Judicial District**

**Notes to Financial Statements**  
**For the Period Ended June 30, 2017**

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

	<u>1% Decrease 6.00%</u> <u>Discount Rate</u>	<u>Current Discount</u> <u>Rate 7.00%</u>	<u>1% Increase</u> <u>8.00% Discount</u>
Net Pension Liability	\$ 250,672	\$ 83,796	\$ (57,300)

**NOTE 7 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES**

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

**Revenues:**

State Government		
Appropriations – Special		\$ 497,396
Local Governments		
Statutory Fines, Forfeitures, Fees and Court Cost		596,336
Charges for Services		33,030
Investment Earnings		<u>618</u>
Total Revenues		<u>\$1,127,380</u>

**Expenditures**

Personnel Services and Benefits		
Salaries	279,328	
Payroll Taxes	11,833	
Retirement	<u>35,627</u>	
Total		326,788
Professional Development		
Dues, licenses, and registrations	3,567	
Travel	<u>9,586</u>	
Total		13,153
Operating Cost		
Contract Services – Attorney / Legal	642,239	
Contract Services – Other	21,820	
Rent-Office	18,100	
Insurance	16,007	
Office Expense/Supplies	26,911	
Utilities and Telephone	12,306	
Library and Research	3,112	
Other	<u>1,410</u>	
Total		<u>741,905</u>
Capital Outlay		<u>3,664</u>
Total Expenditures		<u>1,085,510</u>

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

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Budget and Actual**

**Year Ended December 31, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State Funds	511,793	511,793	497,396	(14,397)
Local Government	614,300	614,300	596,336	(17,964)
Indigent Fees	45,000	45,000	33,030	(11,970)
Other	-	-	618	618
<b>Total revenues</b>	<u>1,171,093</u>	<u>1,171,093</u>	<u>1,127,380</u>	<u>(43,713)</u>
<b>Expenditures:</b>				
General Government - Judicial				
Payroll & Related Benefits	371,000	371,000	326,788	44,212
Contract Attorneys	682,700	682,700	635,039	47,661
Insurance	24,500	24,500	16,007	8,493
Rent	18,900	18,900	18,100	800
Legal & Professional	26,000	26,000	21,820	4,180
Office Expense	36,000	36,000	26,911	9,089
Utilities & Telephone	16,500	16,500	12,306	4,194
Travel & Other	51,700	51,700	24,875	26,825
Capital Outlay	<u>35,000</u>	<u>35,000</u>	<u>3,664</u>	<u>31,336</u>
<b>Total expenditures</b>	<u>1,262,300</u>	<u>1,262,300</u>	<u>1,085,510</u>	<u>176,790</u>
<b>Excess (deficiency) of revenues</b>				
<b>Net Change in Fund Balances</b>	(91,207)	(91,207)	41,870	133,077
<b>Fund balance - beginning of year</b>	<u>208,811</u>	<u>196,919</u>	<u>235,280</u>	<u>(38,361)</u>
<b>Fund balance - end of year</b>	<u>\$ 117,604</u>	<u>\$ 105,712</u>	<u>\$ 277,150</u>	<u>\$ (38,361)</u>

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

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

Notes to Schedule:

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

**PUBLIC DEFENDERS OFFICE**

**NINTH JUDICIAL DISTRICT**

**Schedule of Employer Contributions**

**Cost Sharing Retirement Systems**

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

Notes to Schedule:

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

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

***Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2017***

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<b><u>Purpose</u></b>	<u>Deirdre Fuller</u>	
Salary	\$	90,000
Retirement		8,550
Reimbursements		3,968



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

December 4, 2017

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

To the District Defender  
State of Louisiana  
Ninth Judicial District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the Public Defender's Office for the Ninth Judicial District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Office's basic financial statements, and have issued our report thereon dated December 4, 2017.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

**COMPLIANCE AND OTHER MATTERS**

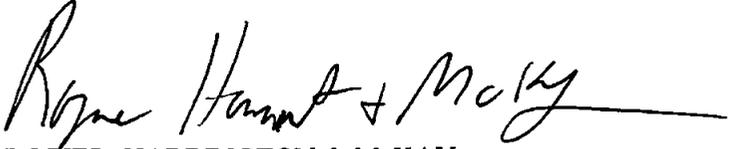
As part of obtaining reasonable assurance about whether Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2017-1.

**PUBLIC DEFENDER'S OFFICE RESPONSE TO FINDINGS**

The Public Defender's Office response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **PUBLIC DEFENDER'S OFFICE**

## **NINTH JUDICIAL DISTRICT**

### **SCHEDULE OF FINDINGS AND QUESTIONED COST**

#### **For the Year Ended June 30, 2017**

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#### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the basic financial statements of the Public Defender's Office as of June 30, 2017 and for the year then ended expressed an unmodified opinion.
- The audit did not disclose any audit findings which are considered to be significant control deficiencies or material weaknesses.
- The results of the audit disclosed an instance of noncompliance (2017-1) required to be reported in the Schedule of Findings and Questioned Cost.

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

##### **2017-1: Noncompliance with Personnel Policy:**

During the current year, a terminated employee received compensation for at least 15 days of annual vacation. Based on a review of the personnel policy, this employee may have only been eligible to receive compensation for ten days of accrued vacation. The personnel policy states that employees with 1 to 7 years of service may accrue up to 10 days of vacation annually. Furthermore, the policy states that upon voluntary termination an employee shall be compensated for accumulated vacation not to exceed the number of days vacation for years of service.

In order to eliminate such issues in the future, we suggest that the District Defender review and update the personnel policy.

***PUBLIC DEFENDER'S OFFICE***  
***NINTH JUDICIAL DISTRICT***

***MANAGEMENT'S CORRECTIVE ACTION PLAN***  
***For the Year Ended June 30, 2017***

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

***PUBLIC DEFENDER'S OFFICE***  
***NINTH JUDICIAL DISTRICT***

***SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COST***  
***For the Year Ended June 30, 2017***

<p><b>SECTION I</b>  <b>Internal Control and Compliance Material</b>  <b>To The Financial Statements</b></p>	
<p><b><u>2016-1: Noncompliance with Financial Reporting Policies:</u></b>  The Public Defender's Office was notified by their previous auditor in late November 2016 that he would be unable to perform the audit for the current year. Even though the Office was able to obtain the services of another auditor, the late termination of the previous auditor did not allow for the audit to be completed timely. This resulted in the Office being unable to submit their annual audit as required by State Law.</p> <p><b><u>2016-2: Noncompliance with Personnel Policy:</u></b>  Three employees were compensated for accrued vacation upon termination for more days than are allowed for in the personnel policy.</p> <p><b><u>2016-3: Duties as Public Defender:</u></b>  The previous public defender may have been operating a private practice out of the Public Defender's Office.</p>	<p><b><u>Resolved:</u></b> The current year audit has been completed and remitted to the Legislative Auditor timely.</p> <p><b><u>Unresolved:</u></b> See Finding 2017-1</p> <p><b><u>Resolved:</u></b> The Louisiana Public Defender Board sent a letter to the District Attorney and the Louisiana Legislative Auditor regarding this matter.</p>
<p><b>SECTION II</b>  <b>Internal Control and Compliance Material to Federal Awards</b></p>	
<p>No findings of this nature were reported</p>	<p>No findings of this nature were reported</p>
<p><b>SECTION III</b>  <b>Management Letter</b></p>	
<p>No management letter was issued with this report.</p>	<p>No management letter was issued with this report.</p>

**APPENDIX A**  
**Statewide Agreed-Upon Procedures**



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

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

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

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

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

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

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

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

  
Rozier, Harrington and McKay  
Certified Public Accountants  
Alexandria, Louisiana  
December 4, 2017

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

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

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and review the board/committee minutes for the fiscal period, and:</p> <p>a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation</p> <p>b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis)</p> <p style="padding-left: 20px;">➤ If budgets are adopted that increase an existing deficit, is there a formal written plan to eliminate deficit spending and do the minutes indicate periodic monitoring of the plan?</p> <p>c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.</p>	<p>Procedures related to board and committee activities were not applicable because the District Defender independently governs operations without input from any board or committee.</p>	<p><i><b>N/A - The results did not include any findings or issues requiring a response.</b></i></p>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
3 Obtain a listing of client bank accounts from management	The Public Defender's Office uses a single bank account for all transactions.	<i>The results did not include findings or criticisms.</i>
4 Using the listing provided by management, select a minimum of five (5) bank accounts and report whether:  a) Bank reconciliations have been prepared;	The bank account has been reconciled monthly by an outside vendor that is independent of other aspects of administering the bank account.	<i>The results did not include findings or criticisms.</i>
b) Bank reconciliations include evidence that a member of management or a board member has reviewed each bank reconciliation	In lieu of an internal review process, bank reconciliations are performed by an external bookkeeper. This third party vendor has no involvement in transactions associated with the bank account.	<i>The results did not include findings or criticisms.</i>
c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.	There were no reconciling items in excess of 6 months old.	<i>The results did not include findings or criticisms.</i>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Collections</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>5 Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.</p> <p>6 Using the listing provided by management, select a minimum of five (5) cash collection locations, obtain written documentation and report whether:</p> <p>a) Each person responsible for collecting cash is:</p> <ul style="list-style-type: none"> <li>• bonded,</li> <li>• not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account</li> <li>• not required to share the same cash register or drawer with another employee.</li> </ul> <p>b) The entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.</p>	<p>All collection activity is conducted at 620 Murray Street, Alexandria, LA</p> <ul style="list-style-type: none"> <li>• Coverage for employee theft with a loss limit is maintained.</li> <li>• A single employee is responsible for collecting, preparing deposits and recording certain transactions.</li> <li>• Collections are held in a lock box that is accessible by multiple employees.</li> </ul> <p>The process of reconciling cash collections to the general ledger by revenue source is conducted by an outside vendor.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>The size of the staff limits opportunities for segregation of duties. Risk is mitigated because most collections are in the form of direct deposit or check. Transactions involving currency that is susceptible to misappropriation are limited.</p> <p>The absence of segregation is mitigated by the use of an outside vendor.</p>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

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

<b>Collections</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:</p> <ul style="list-style-type: none"> <li>• Report whether the deposits were made within one day of collection.</li> <li>• Verify that daily cash collections are completely supported by documentation</li> </ul> <p>7 Obtain existing written documentation and report whether the entity has a process specifically defined to determine completeness of all collections by a person who is not responsible for collections.</p>	<ul style="list-style-type: none"> <li>• Deposits are made weekly resulting in up to a five day lag before funds reach the bank.</li> <li>• Collections are completely supported by documentation.</li> </ul> <p>The process utilizes receipts and accounts receivable records to determine that collections are complete. Although the process is functional, the procedures have not been formally documented or committed to written form.</p>	<p>We were making weekly deposits rather than depositing on a daily basis for a period of time. We changed our policy during the current year and now make daily deposits.</p> <p>Despite the absence of written details, the Public Defender's Office has established policies and procedures that are clearly understood by personnel responsible for execution. In addition, we will consider the need to formally adopt the procedures that are in place and performing as intended.</p>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>8 Obtain a listing of entity disbursements from management</p> <p>9 Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:</p> <p>a) Purchases were initiated using a requisition/purchase order system.</p> <p>b) Purchase orders were approved by a person who did not initiate the purchase.</p> <p>c) Payments for purchases were not processed without</p> <ul style="list-style-type: none"> <li>• An approved requisition and/or purchase order</li> <li>• A receiving report showing receipt of goods purchased,</li> <li>• An approved invoice.</li> </ul>	<p>Management provided access to the general ledger system that reports all disbursement activity.</p> <p>Procedures for processing disbursements do not include provisions for requisitions, purchase orders or receiving reports. Each transaction processed was supported by an invoice or similar supporting documentation.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>Due to the small transaction volume management is capable of monitoring approval and receipts without the need for formal requisitions, purchase orders, or receiving reports. Invoices are reviewed for approval and receipt considerations before disbursements are made. Furthermore, an outside vendor prepares all payments based on invoices submitted.</p>

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**Statewide Agreed-Upon Procedures**

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

<b>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
10 Using entity documentation report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.	Due to all disbursements being processed by an outside entity, vendors cannot be added to the purchasing/disbursements system, by entity personnel.	<i>The results did not include findings or criticisms.</i>
11 Using entity documentation report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.	The District Defender authorizes or initiates each purchase and has signatory authority. However, the District Defender does not record the purchase.	Due to the small transaction volume management the District Defender must authorize and initiate purchases. However, an outside vendor is responsible for recording each purchase.
12 Inquire of management and observe whether the supply of unused checks or blank check stock is maintained in a locked location, with access restricted to those persons that do not have signatory authority.	Check stock is held at the offices of an outside vendor who processes all checks. No check stock is maintained at 620 Murray Street.	<i>The results did not include findings or criticisms.</i>
13 If a signature stamp or signature machine is used, inquire of the signer whether his or her signature and any signed checks is maintained under his or her control or is used only with the knowledge and consent of the signer.	The District Defender or her authorized representative uses a stamp to sign checks. The controls over this stamp are mitigated due to no check stock being maintained at the office.	<i>The results did not include findings or criticisms.</i>



**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

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

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
b) Compare the transaction's detail to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law	None of the purchases were subject to Public Bid Law requirements.	<i>The results did not include findings or criticisms.</i>
c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution	None of the purchases appeared to be a loan, pledge, or donation of funds, credit, property, or things of value	<i>The results did not include findings or criticisms.</i>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
17 Obtain from management a listing of all travel and related expense reimbursements, by person.	The list was compiled from general ledger detail provided from travel and related expense accounts.	<i>The results did not include findings or criticisms.</i>
18 Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration and report any amounts that exceed GSA rates.	A formal policy has not been adopted.	Mileage is reimbursed at standard rates established by the Internal Revenue Service. The State of Louisiana's travel policies serves as guide for remaining travel cost.
19 Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:  a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.	Payments did not exceed GSA maximums.	<i>The results did not include findings or criticisms.</i>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

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

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>b) Report whether each expense is supported by:</p> <ul style="list-style-type: none"> <li>• An original itemized receipt that identifies precisely what was purchased.</li> <li>• Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).</li> <li>• Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)</li> </ul>	<p>Transactions were supported by adequate documentation that demonstrated business purpose. There was one instance in which the District Defender was reimbursed for travel. The District Defender approves her reimbursements.</p>	<p>We will consult with our outside accountant and review the Legislative Auditor's best practices to determine if there is a cost beneficial solution.</p>
<p>c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.</p>	<p>None of the reimbursement received represented a loan, pledge, or donation of funds, credit, property, or things of value</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Approval was provided by a source other than the recipient.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>



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**Statewide Agreed-Upon Procedures**

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

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.</p> <p>e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).</p>	<p>The invoice and related payments were consistent with the contract terms.</p> <p>Policies and procedures did not require specific approval by the governing board.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p>The District Defender is an independently appointed official. Furthermore, she reads and reviews all of the contracts prior to approving them.</p>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>22 Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:</p> <p>a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.</p> <p>b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.</p>	<p>The District's personnel are not subject to employment contracts. The salary of employees is established by the District Defender upon hiring the employee. All employees are salaried.</p> <p>The District Defender authorizes all pay raises and any raises. All salaries are documented in the personnel files through an email to the outside vendor who processes payroll checks.</p>	<p><i>The results did not include findings or criticisms.</i></p> <p><i>The results did not include findings or criticisms.</i></p>
<p>23 Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:</p>		

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

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

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)</p>	<p>Attendance and leave were documented on time sheets.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.</p>	<p>Time sheets included signatures demonstrating supervisor's approval.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.</p>	<p>Leave taken as reported on time sheets was deducted from the employees leave balance maintained on their leave worksheet.</p>	<p><i>The results did not include findings or criticisms.</i></p>
<p>24 Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.</p>	<p>One of the payments made to a terminated employee was in excess of the allowed vacation days for the number of years worked.</p>	<p>We will review our policy and ensure that the proper amounts are paid when an employee terminates in the future.</p>

**Public Defender's Office Ninth Judicial District**

**Statewide Agreed-Upon Procedures**

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

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
25 Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.	Payroll taxes and retirement contributions were remitted timely. In addition, reporting forms were submitted as required.	<b><i>The results did not include findings or criticisms.</i></b>

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**Schedule of Procedures, Results and Managements' Response**

<b>Ethics</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>26 Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.</p>	<p>For the five employees selected results are as follows:</p> <ul style="list-style-type: none"> <li>• 3 of the five completed training in the subsequent period.</li> <li>• 2 of the five have not completed training. Explanations for incomplete training were that this training was not being performed until the Public Defender's Office was notified by their auditors that is was required.</li> </ul>	<p>We will immediately have each employee complete the ethic course. In the future, all new hires will be required to complete training as part of their initial orientation.</p>
<p>27 Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.</p>	<p>According to management there were no alleged ethics violations.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>

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**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response**

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
28 If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.	Not applicable, there is no debt issued or outstanding.	<b><i>The results did not include findings or criticisms.</i></b>
29 If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.	Not applicable, there is no debt issued or outstanding.	<b><i>The results did not include findings or criticisms.</i></b>
30 If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.	Not applicable, there is no debt issued or outstanding.	<b><i>The results did not include findings or criticisms.</i></b>

**Public Defender's Office Ninth Judicial District**

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**Schedule of Procedures, Results and Managements' Response**

<b>Other</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
31 Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were identified.	<i>The results did not include findings or criticisms.</i>
32 Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at <a href="http://www.la.gov/hotline">www.la.gov/hotline</a> ) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was posted.	<i>The results did not include findings or criticisms.</i>
33 If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.	No exceptions were identified.	<i>The results did not include findings or criticisms.</i>