

**15<sup>TH</sup> JUDICIAL DISTRICT  
PUBLIC DEFENDERS' OFFICE**

**FINANCIAL REPORT**

**June 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the District Public Defender of the  
15<sup>th</sup> Judicial District Public Defenders' Office  
Lafayette, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund, of the 15<sup>th</sup> Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District'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 District, as of June 30, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the District'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 the District's internal control over financial reporting and compliance.

***KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 18, 2017

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Statement of Net Position  
June 30, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 854,218
Due from other governments	257,064
Prepaid expenses	<u>11,642</u>
Total current assets	1,122,924
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>16,740</u>
Total assets	<u>1,139,664</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	5,285
Accrued liabilities	20,860
Capital lease payable	<u>1,607</u>
Total current liabilities	27,752
Noncurrent liabilities:	
Capital lease payable	<u>1,592</u>
Total liabilities	<u>29,344</u>
<b>NET POSITION</b>	
Net investment in capital assets	13,541
Restricted - purpose of grantors	8,333
Unrestricted	<u>1,088,446</u>
Total net position	<u><u>\$ 1,110,320</u></u>

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



**FUND FINANCIAL STATEMENTS**

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
 Parishes of Lafayette, Acadia, and Vermilion  
 Governmental Fund

Balance Sheet  
 June 30, 2017

	General Fund
<b>ASSETS</b>	
Assets:	
Cash and interest-bearing deposits	\$ 854,218
Due from other governments	257,064
Prepaid expenses	11,642
Total assets	\$ 1,122,924
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 5,285
Payroll taxes payable	20,860
Total liabilities	26,145
Fund balance:	
Nonspendable - prepaid items	11,642
Restricted - purpose of grantors	8,333
Unassigned	1,076,804
Total fund balance	1,096,779
Total liabilities and fund balance	\$ 1,122,924

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

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2017

Total fund balance for governmental funds at June 30, 2017		\$1,096,779
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds. Those assets consist of:		
Leasehold improvements, net of \$31,708 accumulated depreciation	\$ 3,450	
Equipment and furniture, net of \$117,468 accumulated depreciation	<u>13,290</u>	16,740
Long-term liabilities at June 30, 2017:		
Capital lease payable		<u>(3,199)</u>
Net position at June 30, 2017		<u>\$1,110,320</u>

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

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion  
Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
For the Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
Court cost and bond forfeitures	\$2,070,598
District assistance fund - Louisiana IDAB	1,561,969
Local grant	25,430
Charges for service -	
Partially indigent and application fees	196,214
Fellowship grant	50,000
Other	<u>7,087</u>
Total revenues	<u>3,911,298</u>
Expenditures:	
Current -	
Indigent defense:	
Operations	3,302,329
Debt service -	
Principal	2,751
Interest	464
Capital outlay	<u>3,953</u>
Total expenditures	<u>3,309,497</u>
Net change in fund balance	601,801
Fund balance, beginning	<u>494,978</u>
Fund balance, ending	<u>\$ 1,096,779</u>

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

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2017

Net change in fund balance for the year ended June 30, 2017, per statement of revenues, expenditures and changes in fund balance	\$ 601,801
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$ 3,953
Depreciation expense for the year ended June 30, 2017	<u>(8,927)</u> (4,974)
Proceeds from capital leases are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position; however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.	
Principal payments	<u>2,751</u>
Total changes in net position for the year ended June 30, 2017 per statement of activities	<u>\$ 599,578</u>

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

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements

INTRODUCTION

The 15<sup>th</sup> Judicial District Public Defenders' Office (District) provides criminal defense to indigent persons in Louisiana's 15<sup>th</sup> Judicial District (Acadia, Lafayette and Vermilion Parishes). The function is accomplished by maintaining an administrative staff and contracting for legal and other defense experts.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The District is part of the operations of the Louisiana Public Defender Board. House Bill No. 436, Act No. 307 of the 2007 regular legislative session enacted the Louisiana Public Defender Act, effective August 15, 2007, creating the Louisiana Public Defender Board with oversight responsibilities of service regions and individual district public defender offices. The Louisiana Public Defender Board, which is established as a state agency, is to provide for the supervision, administration, and delivery of a statewide public defender system that is independent of local politics. Service regions are created to help provide supervision over district offices. The Louisiana Public Defender Board has the power to provide for the powers and duties of district public defenders and for the filling of vacancies.

The accompanying financial statements present information only on the Offices maintained by the 15<sup>th</sup> Judicial District Public Defenders' Office.

B. Basis of Presentation

The accompanying basic financial statements of the District 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.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The major fund and only fund of the District is described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the District and it accounts for the operations of the District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

C. Measurement Focus/Basis of Accounting

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

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

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Revenues

Court costs, bond forfeitures, fees from indigents, and intergovernmental revenues are recorded when the District is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District's primary expenditures include salaries and contracted legal services, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the District prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year-end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

F. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Assets Class	Estimated Useful Lives
Leasehold improvements	3 years
Furniture and fixtures	3 - 10 years

G. Compensated Absences

Employees of the District can earn from 80 to 120 hours of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees can earn 96 hours of personal leave per year and can carry over 24 hours of unused leave to the next year. Personal leave is not compensable if an employee leaves the service of the District. At June 30, 2017, the District has no leave benefits required to be reported in accordance with generally accepted accounting principles.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2017.

I. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the District may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

J. 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, and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the District has interest-bearing deposits (book balances) totaling \$854,218.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. These deposits are stated at cost, which approximates market.

Deposit balances (bank balances) at June 30, 2017, are secured as follows:

Bank balances	<u>\$897,854</u>
Federal deposit insurance	\$359,704
Pledged securities	<u>538,150</u>
Total	<u>\$897,854</u>

Deposits in the amount of \$538,150 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

(3) Due From Other Governments

At June 30, 2017, the amounts due from other governmental agencies consist of the following:

Bond forfeitures	\$ 44,136
Court fees	179,007
District assistance fund	28,662
Partially indigent fees	<u>5,259</u>
	<u>\$257,064</u>

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2017</u>
Capital assets:				
Leasehold improvements	\$ 31,205	\$ 3,953	\$ -	\$ 35,158
Furniture and fixtures	<u>130,758</u>	<u>-</u>	<u>-</u>	<u>130,758</u>
Totals	<u>161,963</u>	<u>3,953</u>	<u>-</u>	<u>165,916</u>
Less: accumulated depreciation				
Leasehold improvements	30,113	1,595	-	31,708
Furniture and fixtures	<u>110,136</u>	<u>7,332</u>	<u>-</u>	<u>117,468</u>
Total accumulated depreciation	<u>140,249</u>	<u>8,927</u>	<u>-</u>	<u>149,176</u>
Capital assets, net	<u>\$ 21,714</u>	<u>\$ (4,974)</u>	<u>\$ -</u>	<u>\$ 16,740</u>

Depreciation expense in the amount of \$8,927 was charged to general government.

(5) Changes in Noncurrent Liabilities

The following is a summary of noncurrent liabilities transactions for the year ended June 30, 2017:

	<u>Balance</u> <u>7/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2017</u>	<u>Due Within</u> <u>One Year</u>
Capital lease payable	<u>\$ 5,950</u>	<u>\$ -</u>	<u>\$(2,751)</u>	<u>\$ 3,199</u>	<u>\$ 1,607</u>

Capital leases -

\$7,857 capital lease payable to Great America Financial Services, dated March 19, 2014, due in monthly installments of \$167 through April 1, 2019, interest at 9.905%, secured by equipment with a carrying value of \$4,209.

\$ 3,199

Leased assets under a capital lease are included in capital assets, net in the statement of net position at June 30, 2017. The leased assets consist of equipment with a cost of \$7,857 and accumulated depreciation of \$3,648 for a net book value of \$4,209. Depreciation of the leased assets in the amount of \$1,122 for the year ended June 30, 2017 is included in depreciation expense.

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Scheduled maturities of noncurrent liabilities as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	1,607	225
2019	<u>1,592</u>	<u>73</u>
	<u>\$ 3,199</u>	<u>\$ 298</u>

(6) Operating Leases

The District leases various office facilities and parking space commencing from May 2013 through May 2020. Lease expense for the year ended June 30, 2017 totaled \$169,124. Future minimum lease payments due under the lease terms are as follows:

2018	146,782
2019	103,855
2020	<u>16,500</u>
	<u>\$ 267,137</u>

(7) Risk Management

The District is exposed to risks of loss in the areas of general liability, malpractice, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(8) Governmental Office 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 -	
Grants	\$ 1,561,969
Local Government -	
Statutory fines, forfeitures, fees, court costs, and other	2,070,598
Other Grants and Contributions -	
District court	25,430
Charges for Services	196,214
Investment Earnings	7,087
Fellowship grant	<u>50,000</u>
Total Revenues	<u>\$ 3,911,298</u>

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Expenditures:

Personnel Services and Benefits -	
Salaries	\$ 1,504,554
Retirement contributions	19,599
Insurance	132,148
Payroll taxes	112,596
Other	<u>9,012</u>
Total	<u>1,777,909</u>
Professional Development -	
Dues, licenses, and registrations	<u>37,548</u>
Operating Costs -	
Library and research	15,568
Contract services - attorney/legal	1,086,036
Contract services - other	102,412
Lease - office	169,124
Lease - autos and other	17,986
Travel - other	6,677
Insurance	18,464
Supplies	38,536
Repairs and maintenance	3,305
Utilities and telephone	24,480
Other	<u>4,284</u>
Total	<u>1,486,872</u>
Debt Service	<u>3,215</u>
Capital Outlay	<u>3,953</u>
Total Expenditures	<u>\$ 3,309,497</u>

(9) Deferred Compensation Plan

Certain employees of the District participate in the 15<sup>th</sup> Judicial District Public Defenders' Office Deferred Compensation Plan (Plan) adopted under the provisions of Internal Revenue Code Section 457, which is administered by the Nationwide Insurance Company. The District does not have managerial or financial responsibility for the plan assets. After two years of service, all employees are eligible to participate in the Plan and the District will match their contribution up to \$2,000 per year. At June 30, 2017, the District contributed \$19,599 to the Plan.

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(10) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Paul Marx, District Defender, for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 129,000
Benefits - Insurance	4,140
Benefits - Retirement	2,000
Benefits - HSA	632
Travel	46
Registration fees	250
Conference travel	342
Continuing professional education fees	1,218

**REQUIRED SUPPLEMENTARY INFORMATION**

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parishes of Lafayette, Acadia, and Vermilion  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

	2017			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental revenues -				
Court cost and bond forfeitures	\$2,005,800	\$2,039,286	\$2,070,598	\$ 31,312
District assistance fund - Louisiana IDAB	1,553,045	1,519,574	1,561,969	42,395
Local grant	32,430	25,430	25,430	-
Charges for service -				
Partially indigent and application fees	286,000	189,900	196,214	6,314
Fellowship grant	-	50,000	50,000	-
Other	2,300	2,300	7,087	4,787
Total revenues	<u>3,879,575</u>	<u>3,826,490</u>	<u>3,911,298</u>	<u>84,808</u>
<b>Expenditures:</b>				
Current -				
Indigent defense:				
Operations	3,619,908	3,347,242	3,302,329	44,913
Debt service -				
Principal	-	2,751	2,751	-
Interest	-	464	464	-
Capital outlay	5,500	4,100	3,953	147
Total expenditures	<u>3,625,408</u>	<u>3,354,557</u>	<u>3,309,497</u>	<u>45,060</u>
Net change in fund balance	254,167	471,933	601,801	129,868
Fund balance, beginning	<u>494,978</u>	<u>494,978</u>	<u>494,978</u>	<u>-</u>
Fund balance, ending	<u>\$ 749,145</u>	<u>\$ 966,911</u>	<u>\$ 1,096,779</u>	<u>\$ 129,868</u>

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## 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*

\* A Professional Accounting Corporation

To the District Public Defender of the  
15<sup>th</sup> Judicial District Public Defenders' Office  
Lafayette, 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 the major fund of the 15<sup>th</sup> Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2017-001 to be a material weakness.

## **Compliance and Other Matters**

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

## **The District's Response to Findings**

The District's response to the finding identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The District'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 18, 2017

15<sup>th</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
For the Year Ended June 30, 2017

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (6/30/17) --						
<u>Internal Control:</u>						
2017-001	2006	Due to the small number of employees involved in the accounting operations, the District does not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of functions.	N/A	No response is considered necessary.	N/A	N/A
<u>Compliance:</u>						
There were no findings that were required to be reported.						
PRIOR YEAR (6/30/16) --						
<u>Internal Control:</u>						
2016-001	2006	Due to the small number of employees involved in the accounting operations, the District does not have adequate segregation of functions within the accounting system. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of functions.	N/A	No response is considered necessary.	N/A	N/A
<u>Compliance:</u>						
There were no findings that were required to be reported.						

**15<sup>TH</sup> JUDICIAL DISTRICT  
PUBLIC DEFENDERS' OFFICE**  
Lafayette, Louisiana

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

Year Ended June 30, 2017

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

The District Public Defender of the  
15<sup>th</sup> Judicial District Public Defenders' Office  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the management of the 15<sup>th</sup> Judicial District Public Defenders' Office (District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*There were no written policies and procedures over the preparation, adoption, monitoring, or amending of the annual 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.

*There were no written policies and procedures for the District's purchasing process.*

c) ***Disbursements***, including processing, reviewing, and approving.

*There were no written policies and procedures for the District's disbursement process.*

- d) **Receipts**, including receiving, recording, and preparing deposits.

*There were no written policies and procedures that address receiving, recording, and preparing deposits for the District's receipts.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*There were no written policies and procedures for the District's payroll/personnel process.*

- 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.

*There were no written policies and procedures for the District's contracting processes.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

*There were no written policies and procedures for the District's credit card process.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*There were no written policies and procedures for the District's travel and expense reimbursement process.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*There were no written policies and procedures regarding ethics.*

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

*The District does not have debt service and therefore, this attribute is not applicable.*

**Board (or Finance Committee, if applicable)**

---

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*The District does not have a Board or Finance Committee, and therefore, this procedure is not applicable.*

- 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).

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

*This procedure is not applicable to the District.*

- 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.

*This procedure is not applicable to the District.*

### ***Bank Reconciliations***

---

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

*A listing of client bank accounts and management's representation that listing is complete were obtained.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that reconciliations have been prepared for all months.*

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

*Bank statements and reconciliations for all months in the fiscal period were obtained for selected accounts noting that management's review was not documented on the reconciliations.*

- 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 exceptions noted as a result of applying this procedure.*

### ***Collections***

---

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

*A listing of cash collection locations and management's representation that the listing is complete were obtained.*

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

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

*In the cash collection locations selected, the person responsible for collecting cash is bonded, is not responsible for depositing cash in the bank, recording transactions, or reconciling the bank account. The District has three collection locations and the cash drawer is not shared with another employee.*

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

*There were no exceptions noted as a result of applying this procedure.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*The highest (dollar) week of cash collections for the collection location was obtained along with collection documentation, deposit slips, and bank statements. There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*The District does not have a specific process to determine the completeness of all collections.*

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

---

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

*A listing of disbursements and management's representation that the listing is complete were obtained.*

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

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

*The District's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system; therefore, this procedure is not applicable.*

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

*The District's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system; therefore, this procedure is not applicable.*

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

*The District's disbursement policy does not require the use of a requisition/purchase order or equivalent electronic system; therefore, this procedure is not applicable.*

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

*The District does not have written documentation that prohibits the person responsible for processing payments from adding vendors to the District's purchasing/disbursement system.*

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

*The District does not have written documentation that prohibits the person with signatory authority or the person that makes the final authorization for disbursements from initiating or recording purchases.*

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

*Inquiry of management indicated that unused check stock is maintained in a locked location.*

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

*The District does not use signature stamps or a signature machine.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

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

*A listing of active credit cards, bank debit cards, fuel cards and the name of the person who maintains possession of the cards and management's representation that the listing is complete were obtained.*

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

*There was only one active credit card for the year.*

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

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

*Monthly statements were obtained noting there was no written evidence that the monthly credit card statements and supporting documentation had been approved by someone other than the card holder.*

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

*There was a finance charge and/or late fee assessed on the credit card selected.*

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

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*The written policies did not require any other documentation.*

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

*The District does not have written purchasing/department policies. There were no transactions noted that would have been subject to Louisiana Public Bid Law.*

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

*There were no exceptions noted as a result of applying this procedure.*

## *Travel and Expense Reimbursement*

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

*A listing of travel and expense reimbursements by person and management's representation that the listing is complete were obtained.*

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

*There are no written policies for travel and reimbursement expense.*

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.

*There were no exceptions noted as a result of applying this procedure.*

- b) Report whether each expense is supported by:

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

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

*There were no exceptions noted as a result of applying this procedure.*

## ***Contracts***

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

*A listing of all contracts in effect during the fiscal period and management's representation that the listing is complete were obtained.*

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

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

*There were no exceptions noted as a result of applying this procedure.*

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

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

*The contracts selected were not subject to the Louisiana Public Bid Law or Procurement Code.*

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

*The District did not solicit quotes for contracts that did not meet the requirements of the Public Bid Law. The contracts selected for testing were professional services with a contract fee determined by the District based on the attorney's caseload.*

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

*There were no contract amendments.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

- 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).

*The District does not have a Board.*

## ***Payroll and Personnel***

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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:

*A listing of employees with their related salaries and management's representation that the listing is complete were obtained. Five employees were randomly selected and their personnel files were obtained.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

- 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:

- 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.)

*There were no exceptions noted as a result of applying this procedure.*

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

*The selected employees did not have written documentation that the supervisor approved attendance.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

- 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.

*The District does not pay termination benefits.*

- 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.

*There were no exceptions noted as a result of applying this procedure.*

***Ethics (excluding nonprofits)***

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- 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.

*There were no exceptions noted as a result of applying this procedure.*

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

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

### ***Debt Service (excluding nonprofits)***

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

*No debt was issued during the fiscal period.*

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

*The District does not have any outstanding debt.*

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.

*The District has no tax millages relating to debt service.*

### ***Other***

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

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

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

*The District does not have the required notices posted on its premises and website.*

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

*No exceptions were noted as a result of applying this procedure.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the 15<sup>th</sup> Judicial District Public Defenders' Office and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 18, 2017