

**ST. CHARLES PARISH PUBLIC DEFENDER OFFICE
29TH JUDICIAL DISTRICT**

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Fiscal Year Ended June 30, 2018

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Independent Accountant's Report On Applying Agreed-Upon Procedures

To Victor E. Bradley, Jr, Chief Public Defender of St. Charles Parish Public Defender Office, 29th Judicial District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the St. Charles Parish Public Defender Office, 29th Judicial District and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the fiscal period July 1, 2017 through June 30, 2018. St. Charles Parish Public Defender Office, 29th Judicial District's management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the Organization's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Organization's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

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

Findings: We obtained St. Charles Parish Public Defender Office, 29th Judicial District written policies and procedures manual. The policies and procedures manual addresses each of the following categories and subcategories as listed above.

- *Budgeting.*
- *Purchasing.*
- *Disbursements.*
- *Receipts/Collections.*
- *Payroll/Personnel.*
- *Contracting.*
- *Credit Cards, Debit Cards, Fuel Cards, and P-Cards.*
- *Travel and Expense Reimbursement.*
- *Ethics*
- *Debt Service (not applicable).*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those Organizations reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those Organizations reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Organization's collections during the fiscal year.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Findings: Not applicable to the District Public Defender Fund, as a board and minutes do not exist.

Bank Reconciliations

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

Findings: We obtained a listing of the District Public Defender Funds bank accounts from the client's trial balance. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

We obtained from the listing, the bank accounts and bank reconciliations for each month in the fiscal period for all of the Organization's bank accounts.

All bank reconciliations were prepared within two months of the related statement closing date.

All bank reconciliations were not signed by the preparer, nor did they show evidence that a member of management had reviewed each bank reconciliation.

All outstanding checks for each month cleared in subsequent period. There are no checks outstanding for more than twelve months.

Collections

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits, and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: Not applicable to the District Public Defender Fund, as there are no cash/check/money order collection locations.

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

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

- d) Either the employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the Organization's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: We obtained a listing of locations that process payments for the fiscal period. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

The only location that processes payments for the District Public Defender Fund is their main office.

We obtained a listing of those employees involved in non-payroll purchasing and payments functions. We obtained the policies and procedures relating to these employees' job duties and observed that the job duties are not properly segregated because of the limited number of employees.

The office manager is involved in initiating a purchase request and placing an order/making the purchase, but all purchases must be approved by the District Public Defender.

Because of the limited number of employees, the office manager processing the payments and is one of the two people who has signatory authority.

Because of the limited number of employees, the office manager is responsible for adding/modifying vendor files and processing payments.

We obtained a listing of the Organization's non-payroll disbursement transaction population from their check registers. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

We selected five disbursements from the disbursement population and obtaining supporting documents for each transaction.

Our examination showed that the disbursements observed matched the original invoice/billing statements.

The disbursements documentation observed include evidence of segregation of duties (such as approval by the District Public Defender).

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Findings: We obtained the one credit card that was used during the fiscal period, including the card number and the names of the persons who maintained possession of the card. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

There were no changes to the credit cards maintained by the Organization. There were also no changes to the persons who maintained possession of the credit cards.

We selected the one credit card that was used during the fiscal period. We selected one monthly statement and obtained supporting documentation.

Our inspection showed that the credit card statement was approved by the District Public Defender.

None of the credit card statements showed assessment of minimal finance charges or late fees.

We selected all of the transactions from the statement selected above and obtained supporting documentation for the transactions. All of the transactions had original itemized receipts.

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

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

Findings: We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

We selected five reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation.

All reimbursements were paid in accordance with the Organization's policies and procedures manual, and stated the business/public purpose. The Organization's policies do not exceed GSA rates.

All reimbursements were reviewed and approved in writing by the District Public Defender or someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete.

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings: We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

We selected five contracts from the listing obtained above, and all contracts for services.

The majority of contracts entered into by the District Public Defender's Fund are for legal services performed by the various Assistant Public Defenders. The Louisiana Bid Law does not require bids for services to perform legal work. All other contracts reviewed were not subject to the Louisiana Public Bid Law.

At no time were any contracts under examination amended. Also, the District Public Defender does not have a governing board regarding contract approval

We selected one payment from each of the five contracts selected above for the fiscal period, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contact.

Payroll and Personnel

16. Obtain a listing of employees who were employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records.
18. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and worker's compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: We obtained a listing of all employees who were employed during the fiscal period. Management stated that this listing is complete in their management representation letter dated December 19, 2018.

We selected four employees, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

We selected one pay period during the fiscal period and obtained attendance records and leave documentation for the four employees selected above. We observed that all of the selected employees documented their daily attendance and leave, and that supervisors approved the attendance and leave of the selected employees. All leave taken by the selected employees was reflected in the Organization's cumulative leave records.

No employees were terminated during the fiscal year ended June 30, 2018.

We obtained, in their management representation letter dated December 19, 2018, management's representation that all employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by the required deadlines.

Ethics

20. Using the 4 randomly selected employees from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates that each employee completed one hour of ethics training during the fiscal period.

- b) Observe that the documentation demonstrates that each employee attested through signature verification that he or she has read the Organization's ethics policy during the fiscal period.

Findings: We determined that each of the four employees selected in procedure #16 under "Payroll and Personnel" did not complete the required ethics training. Also, there was no verification that he or she had read the Organization's ethics policy. We have recommended that all employees complete the required ethics training and have signed verification that he or she has read the Organization's ethics policy in the future.

Debt Service

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

During the year, no debt was issued for use by the District Public Defender Fund and is therefore not applicable.

Other

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

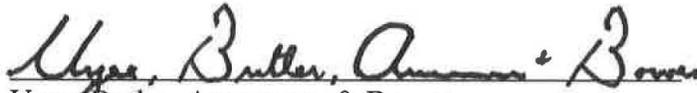
Findings: We inquired regarding a listing of misappropriations of public funds and assets during the fiscal period. Management stated that if applicable, such a listing would be provided in their management representation letter dated December 19, 2018.

No such listing, and no misappropriations of public funds or assets were reported to us during the fiscal period.

The Organization has posted on its premises the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. The Organization's website contains a link which takes the user to the Louisiana Legislative Auditor's notice required by R.S. 24:523.1.

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 control and compliance areas identified in the Statewide Agreed-Upon Procedures. 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 control and compliance areas identified in the Statewide Agreed-Upon Procedures, 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 Louisiana Legislative Auditor as a public document.



Uzee, Butler, Arceneux & Bowes
Certified Public Accountants
Harvey, Louisiana

December 19, 2018

ST. CHARLES PARISH PUBLIC DEFENDER OFFICE
29TH JUDICIAL DISTRICT

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December 19, 2018

Independent Accountant's Report on Applying Agreed-Upon Procedures
Management Response

Year Ended June 30, 2018

FINDING#

I) BANK RECONCILIATIONS
Procedure #3b

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

FINDING

All the bank reconciliations did not show evidence that a member of management had reviewed each bank reconciliations.

MANAGEMENT'S RESPONSE

We plan in the future to ensure that the District Public Defender will review and initial each bank reconciliation for each bank account.

II) NON PAYROLL DISBURSEMENTS
Procedure #9

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

FINDING

Because of the limited number of employees, all of the items reviewed above are not properly segregated, with overlapping of duties occurring for non payroll disbursements.

MANAGEMENT'S RESPONSE

We plan in the future to address these issues and take steps to prevent overlapping of duties regarding non payroll disbursements.

III) ETHICS

Procedure #20

- 20. Using the 4 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and:
 - a) Observe that the documentation demonstrates that each employee completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates that each employee attested through signature verification that he or she has read the Organization's ethics policy during the fiscal period.

FINDING

We determined that each of the four employees selected in procedure #16 under "Payroll and Personnel" did not complete the required ethics training. We have recommended that all employees complete the required ethics training in the future.

MANAGEMENT'S RESPONSE

We plan in the future to ensure all employees of the St. Charles Public Defender Office 29th Judicial Office complete their required ethics training.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Victor E. Bradley, Jr.", written over a horizontal line.

Victor E. Bradley, Jr.

**TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND
St. Charles Parish, Louisiana**

Annual Financial Report

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

**To The District Public Defender
Twenty-Ninth Judicial District
Public Defender Fund
Hahnville, Louisiana**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twenty-Ninth Judicial District Public Defender Fund which comprise the statement of net position as of June 30, 2018, and the related statement of activities for the year then ended, and the related notes to the 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 an opinion on these financial statements based upon our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free 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 opinion.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Twenty-Ninth Judicial District Public Defender Fund as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 and budgetary comparison information on page 28 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Twenty-Ninth Judicial District Public Defender Fund's basic financial statements. The other supplemental information presented on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the schedule of compensation, benefits, and other payments to agency head or chief executive officer is fairly stated, in all material respects, in relation to the basic financial statements as whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018 on our consideration of the Twenty-Ninth Judicial District Public Defender Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Twenty-Ninth Judicial District Public Defender Fund's internal control over financial reporting and compliance.


Harvey Louisiana
December 19, 2018

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis

Within this section of the annual financial report of the District Public Defender Fund of the Twenty - Ninth Judicial District of St. Charles Parish, the District Public Defender Fund's management provides this narrative discussion and analysis of the financial activities of the District Public Defender Fund for the year ended June 30, 2018. The District Public Defender Fund's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The District Public Defender Fund's assets exceeded it's liabilities by \$470,492 (net position) for the twelve months reported.

Total net position is comprised of the following:

- Investment in capital assets of \$5,065 includes property and equipment, net of accumulated depreciation of \$48,275.
- Unrestricted net position of \$465,427 represents the portion available to maintain the District Public Defender Fund's continuing obligations to citizens and creditors.

The District Public Defender Fund's General Fund reported total ending unassigned fund balance of \$465,427 for the twelve months ended June 30, 2018. This compares to the June 30, 2017 ending unassigned fund balance of \$575,353 showing an decrease of \$109,926 during the current twelve month period.

The above financial highlights are explained in more detail in the following sections of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District Public Defender Fund's basic financial statements. The basic financial statements include: (1) government - wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District Public Defender Fund also includes in this report additional information to supplement the basic financial statements.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

GOVERNMENT - WIDE FINANCIAL STATEMENTS

The District Public Defender Fund's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District Public Defender Fund's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the District Public Defender Fund's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District Public Defender Fund as a whole is improving or deteriorating. Evaluation of the overall health of the District Public Defender Fund would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the District Public Defender Fund's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District Public Defender Fund's distinct activities or functions on revenues provided by St. Charles Parish and the State of Louisiana.

The government-wide financial statements present governmental activities of the District Public Defender Fund that are principally supported by intergovernmental revenues. The sole purpose of these governmental activities is judicial.

The government-wide financial statements are presented on pages 10 and 11 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The District Public Defender Fund uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District Public Defender Fund's most significant funds rather than the District Public Defender Fund as a whole.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

The District Public Defender Fund has only governmental funds.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District Public Defender Fund's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 12-15 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 16 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT PUBLIC DEFENDER FUND AS A WHOLE

The District Public Defender Fund recently implemented the new financial reporting model used in this report. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District Public Defender Fund as a whole.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

The District Public Defender Fund's net position as of June 30, 2018 and 2017 was \$470,492 and \$583,857, respectively. The following table provides a summary of the District Public Defender Fund's net position:

	June 30, 2018 Governmental Activities	June 30, 2017 Governmental Activities
Assets:		
Cash and cash equivalents	\$ 476,281	\$ 584,233
Receivables from other governments	1,106	1,646
Capital assets, net of depreciation	<u>5,065</u>	<u>8,504</u>
Total assets	<u>482,452</u>	<u>594,383</u>
Liabilities:		
Current liabilities	4,781	5,041
Accounts payable	<u>7,179</u>	<u>5,485</u>
Total liabilities	<u>11,960</u>	<u>10,526</u>
Net position:		
Net investment in capital assets	5,065	8,504
Unrestricted	<u>465,427</u>	<u>575,353</u>
Total net position	<u>\$ 470,492</u>	<u>\$ 583,857</u>

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

The following table provides a statement of the District Public Defender Fund's condensed statement of activities and changes in net position:

	<u>Twelve month period ended June 30, 2018 Governmental Activities</u>	<u>Twelve month period ended June 30, 2017 Governmental Activities</u>
Revenues:		
Program:		
Fees and Fines	\$ 904,982	\$ 957,740
Public Defender Bonds	129,012	33,582
Other income	2,200	2,592
General:		
Interest	<u>7,529</u>	<u>6,994</u>
Total revenues	<u>1,043,723</u>	<u>1,000,908</u>
Program expenses:		
Judicial	<u>1,157,088</u>	<u>1,166,321</u>
Total expenses	<u>1,157,088</u>	<u>1,166,321</u>
Change in net position (Decrease)	(113,365)	(165,413)
Beginning net position	<u>583,857</u>	<u>749,270</u>
Ending net position	\$ <u>470,492</u>	\$ <u>583,857</u>

GOVERNMENTAL REVENUES

The District Public Defender Fund is reliant on fee and fine collections from St. Charles Parish and the State of Louisiana to support its operations. Unlike many other agencies, the District Public Defender Fund receives no property tax or sales tax revenue. The District Public Defender Fund's financial position has enabled it to earn \$7,529 in interest to support governmental activities.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Management's Discussion and Analysis - Continued

FINANCIAL ANALYSIS OF THE DISTRICT PUBLIC DEFENDER FUND'S MAJOR FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds had an ending fund balance of \$465,427, all of which is unassigned indicating availability for continuing the District Public Defender Fund's activities.

CAPITAL ASSETS

The District Public Defender Fund's investment in capital assets, net of accumulated depreciation as of June 30, 2018, was \$5,065. See Note 5 of the notes to the financial statements for additional information about changes in capital assets during the current year.

ADDITIONAL INFORMATION

During the year ended June 30, 2018, 1,611 new cases were handled by the Twenty-Ninth Judicial District Public Defender Fund. Of these, there were 677 felonies, 482 misdemeanors, 227 traffic cases, 143 juvenile cases, 73 revocations, and 9 drug cases.

CONTACTING THE DISTRICT PUBLIC DEFENDER FUND'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District Public Defender Fund's finances, comply with finance-related laws and regulations, and demonstrate the District Public Defender Fund's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Victor E. Bradley, Jr., Chief, Twenty-Ninth Judicial District Public Defender Fund, P. O. Box 188, Norco, Louisiana 70079-0188. Phone - (985) 764-2338.

GOVERNMENT - WIDE FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Net Position
Year Ended June 30, 2018

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 476,281
Receivables from other governments	<u>1,106</u>
Total current assets	477,387
Non-current Assets	
Capital assets, net of depreciation of \$44,836	<u>5,065</u>
<u>Total assets</u>	<u>482,452</u>
Liabilities	
Current Liabilities	
Taxes payable	4,781
Accounts payable	<u>7,179</u>
<u>Total liabilities</u>	<u>11,960</u>
Net Position	
Invested in capital assets	5,065
Unrestricted	<u>465,427</u>
<u>Total net position</u>	\$ <u>470,492</u>

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

FUND FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Balance Sheet
Governmental Funds
June 30, 2018

	<u>General Fund</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 476,281
Receivables from other governments	<u>1,106</u>
<u>Total assets</u>	<u>\$ 477,387</u>
Liabilities	
Taxes payable	\$ 4,781
Accounts payable	<u>7,179</u>
<u>Total liabilities</u>	<u>11,960</u>
Fund Balances	
Unassigned, reported in general fund	<u>465,427</u>
<u>Total liabilities and fund balances</u>	<u>\$ 477,387</u>

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

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2018

Total fund balance of the governmental fund at June 30, 2018	\$ 465,427
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 governmental funds.	<u>5,065</u>
<u>Net position of governmental activities at June 30, 2018</u>	<u>\$ 470,492</u>

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

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2018

	<u>General Fund</u>
REVENUES	
Court fines and forfeitures	\$ 904,982
Public Defender Bonds	129,012
Other income	2,200
Interest earnings	<u>7,529</u>
TOTAL REVENUES	<u>1,043,723</u>
EXPENDITURES	
Contract attorneys	480,000
Conflict representation	1,500
Administrative and audit fees	124,931
Juvenile/Misdemeanor attorney's compensation	270,000
Office and other expenses	270,170
Seminar/Travel expenses	<u>7,048</u>
TOTAL EXPENDITURES	<u>1,153,649</u>
EXCESS OF EXPENDITURES OVER REVENUE	(109,926)
FUND BALANCE AT BEGINNING OF YEAR	<u>575,353</u>
FUND BALANCE AT END OF YEAR	<u>\$ 465,427</u>

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

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance to Government-Wide Statement of Activities
Year Ended June 30, 2018

Total Net Change in Fund Balance at June 30, 2018 per Statement
of Revenues, Expenditures, and Changes in Fund Balance of the
Governmental Funds \$ (109,926)

Amounts reported for the governmental activities in the
Government-Wide Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Government-Wide Statement of Activities,
the cost of those assets is allocated over their estimated useful
lives as depreciation expense. This is the amount by which
capital outlays exceeded depreciation in the current period. (3,439)

Total change in net position of governmental activities \$ (113,365)

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

NOTES TO BASIC FINANCIAL STATEMENTS

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements

Introduction

The Twenty-Ninth Judicial District Public Defender Fund is established in compliance with Louisiana Revised Statutes 15:141-184 to provide and compensate counsel appointed to represent indigents in criminal cases on the district court level.

As provided by Act 21 of 1982, Louisiana Revised Statutes 13:477(29) and 13:477(40), the electors of the Twenty-Ninth Judicial District Public Defender Fund, being the parishes of St. Charles and St. John the Baptist, approved the division of the Twenty-Ninth Judicial District Public Defender Fund, effective January 21, 1985, by the establishment of the Fortieth Judicial District Public Defender Fund to be composed of St. John the Baptist Parish, with the Twenty-Ninth Judicial District Public Defender Fund to continue and be composed of St. Charles Parish.

ACT 307 of 2007 enacted the "Louisiana Public Defender Act" which established the Louisiana Public Defender Board (formally the Indigent Defender Assistance Board). The Act provided for the transfer of the powers, duties, and authority of the board, for the establishment of public defender service regions, the designations for regional directors, and the creation of the Louisiana Public Defender Fund.

1) Summary of Significant Accounting Policies

A.) Reporting Entity

For financial reporting purposes, the Twenty - Ninth Judicial District Public Defender Fund is considered its own separate financial reporting entity. All funds, activities, etc... controlled by the fund as an independently established entity are included as a part of this financial reporting body. There are no other component units. The members of the Twenty - Ninth Judicial District Public Defender Fund are solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and the receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the Twenty - Ninth Judicial District Public Defender Fund.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

B.) Basis of Presentation

The accompanying basic financial statements of the District Public Defender Fund 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

The accompanying financial statements have also been prepared in conformity with the following GASB Statements:

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows or Resources, and Net Position*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

Statement No. 65, *Items previously reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

The effect of implementing GASB Nos. 63 and 65 on the financial statements was to classify amounts previously reported as liabilities, unearned revenues to deferred inflows of resources, and to report the excess over liabilities and deferred inflows of resources as net position. The District Public Defender Fund had no deferred outflows or inflows of resources at June 30, 2018, and no reclassifications affecting the statement of net position from the prior period are required.

Government-Wide Financial Statements (GWFS)

The District Public Defender Fund's basic financial statements include both government-wide (reporting the District Public Defender Fund as a whole) and fund financial statements (reporting the District Public Defender Fund's major funds). All of the District Public Defender Fund's judicial and administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District Public Defender Fund's net position is reported in two parts – invested in capital assets and unrestricted net position.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

B.) Basis of Presentation – continued

Government-Wide Financial Statements (GWFS) - continued

The government-wide Statement of Activities reports both the gross and net cost of each of the District Public Defender Fund's functions and activities (judicial). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (judicial). Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). The focus of these government-wide statements is more on the sustainability of the District Public Defender Fund as an entity and the change in the District Public Defender Fund's net position resulting from the current period's activities.

Fund Financial Statements (FFS)

The District Public Defender Fund uses funds to maintain it's financial records during the period. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The District Public Defender Fund encompasses only Governmental Funds, which are described below.

Governmental

General Fund - The General Fund of the District Public Defender Fund is used to account for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended in accordance with state and federal laws and according to the District Public Defender Fund's policy.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

C.) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental Fund financial statements are reported using the current financial resources measurement focus and are accounted for using 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 Public Defender Fund 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. The governmental funds use the following practices in recording revenues and expenditures:

Fund Balance

The District Public Defender Fund's basic financial statements have been prepared in conformity with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- 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.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

C.) Measurement Focus/Basis of Accounting

Fund Balance - continued

- 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 Public Defender Fund, which is the highest level of decision-making authority for the District Public Defender Fund.
- 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.
- e. Unassigned – all other spendable amounts.

The District Public Defender Fund applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The District Public Defender Fund does not have a formal minimum fund balance policy.

Net Position

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

C.) Measurement Focus/Basis of Accounting - continued

Net Position - continued

- b. Restricted net position – Consists of assets less liabilities (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.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenues

Fees are recorded in the month in which they are collected by the Sheriff of St. Charles Parish.

Federal and State grant revenue is recognized when program expenditures are incurred in accordance with program guidelines.

Interest earnings on time deposits are recorded in the year in which they are earned.

Expenditures

The District Public Defender Fund’s primary expenditures are recorded when the liabilities are incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D.) Budgetary Information

The District Public Defender Fund directs the preparation of a proposed budget and submits it to the Louisiana Public Defender Board for approval by a specified date. Annually, the District Public Defender Fund adopts a budget for the General Fund on the modified accrual basis of accounting. Amounts are available for expenditures only to the extent included within the budget. All appropriations lapse at year-end.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

E.) Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the District Public Defender Fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, and time deposits in state banks organized under Louisiana law, and national banks having their principal offices in Louisiana. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

F.) Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the District Public Defender Fund's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

G.) Capital Assets

In the government-wide financial statements, capital assets purchased or acquired are recorded at either historical cost or estimated historical cost, and depreciated over their estimated useful lives (excluding salvage value). Contributed assets are recorded at fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Straight-line depreciation is used based on the following estimated useful lives:

- Furniture and fixtures 7 years
- Computer equipment 5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the fund upon acquisition.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

H.) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Deposits and Concentration of Credit Risk

Financial instruments that potentially subject the District Public Defender Fund to concentrations of credit risk consist principally of temporary cash investments and accounts receivable.

Custodial credit risk is the risk that, in the event of a bank failure, the District Public Defender Fund's deposits might not be recovered. The District Public Defender Fund's deposit policy for custodial credit risk conforms to state law as described in Note 1 to the financial statements.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District Public Defender Fund's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2018, the District Public Defender Fund had cash totaling \$67,584 (book balances) invested in demand deposit accounts at various local banks. Additionally, the District Public Defender Fund had cash totaling \$408,698 in the Louisiana Asset Management Pool (LAMP) as explained in Note 3 below. 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 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 of deposit with the fiscal agent bank. 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, 2018, the District Public Defender Fund had \$73,128 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(3) Investments and Fair Value Measurement

The Organization applies GAAP for fair value measurements of financial assets that are recognized at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair market hierarchy are as follows:

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

During the year ended June 30, 2018, the Organization invested \$408,698 in LAMP (Louisiana Asset Management Pool) as discussed below.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(3) Investments and Fair Value Measurement - continued

The amortized cost and fair values measured on a recurring basis of investments as of June 30, 2018 are as follows:

<u>Level 2 Cost Basis</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Louisiana Asset Management Pool	\$ 408,698	\$ 408,698	-0-

(4) Receivables From Other Governments

Accrued receivables consist of amounts owed for fees at the end of the current period, but not remitted until the subsequent period. No allowance for doubtful accounts is provided as management considers all accrued receivables to be collectible.

(5) Capital Assets

Capital assets and depreciation activity for the governmental activities as of and for the twelve month period ended June 30, 2018 are as follows:

	<u>Balance 06-30-17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-18</u>
Furniture, Fixtures and Equipment	\$ 53,340	\$ -0-	\$ -0-	\$ 53,340
Less: Accumulated Depreciation	<u>(44,836)</u>	<u>(3,439)</u>	<u>-0-</u>	<u>(48,275)</u>
 CAPITAL ASSETS, NET	 \$ <u>8,504</u>	 \$ <u>(3,439)</u>	 \$ <u>-0-</u>	 \$ <u>5,065</u>

(6) Annual and Sick Leave

The District Public Defender Fund employs four employees, and has adopted a formal vacation and sick leave policy.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(7) Pension Plan and Post-employment Benefits

The District Public Defender Fund does not participate in a pension plan for any of its employees.

At present, there are no former employees of The District Public Defender Fund who are receiving post-employment benefits, and any liability due to the Fund's benefit structure is considered to be immaterial.

(8) Leases

The District Public Defender Fund did not have any capital or operating lease commitments as of and for the year ended June 30, 2018.

(9) Litigation and Claims

The District Public Defender Fund is not involved in any litigation and is not aware of any claims outstanding that are not recorded in the financial statements.

(10) Governmental Fund Revenues and Expenditures

For the year ended June 30, 2018, the major sources of governmental fund revenues and expenditures were as follows:

Revenue:

State Government

Appropriations – Special Public Defender Bonds \$ 129,012

Local Government

Statutory fines, forfeitures, fees, court cost, and other 904,982

Investment Earnings

7,529

Other Income

2,200

Total Revenues

\$ 1,043,723

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Notes to Basic Financial Statements – Continued

(10) Governmental Fund Revenues and Expenditures - continued

Expenditures:

Personnel Services and Benefits	
Other	\$ 201,996
Professional Development	
Dues, licenses, and registrations	7,048
Operating Costs	
Contract services – attorney/legal	750,000
Contract services – other	154,031
Supplies	<u>40,574</u>
Total Expenditures	<u>1,153,649</u>
Excess of Expenditures over Revenue	\$ <u>(109,926)</u>

(11) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date the financial statements were available to be issued, December 19, 2018, and it was determined that there were no events that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Governmental Funds
Year Ended June 30, 2018

REVENUES	Budgeted Amounts		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Court costs on fines and forfeitures	\$ 777,700	\$ 905,523	\$ 904,982	\$ (541)
Public Defender Bonds	118,178	129,012	129,012	-0-
Other income	500	5,744	2,200	(3,544)
Interest earnings	<u>4,500</u>	<u>6,798</u>	<u>7,529</u>	<u>731</u>
TOTAL REVENUES	<u>900,878</u>	<u>1,047,077</u>	<u>1,043,723</u>	<u>(3,354)</u>
EXPENDITURES				
Administrative and audit fees	237,534	214,127	214,294	167
Contract attorneys	420,000	420,000	420,000	-0-
Investigators and expert fees	45,000	41,200	41,950	750
Office and other expenses	155,527	186,967	187,135	168
Juvenile-Attorney's compensation	270,000	270,000	270,000	-0-
Capital expenditures	2,000	-0-	-0-	-0-
Capital cases and conflict representation	7,500	1,500	1,500	-0-
Social worker	<u>18,500</u>	<u>18,420</u>	<u>18,770</u>	<u>350</u>
TOTAL EXPENDITURES	<u>1,156,061</u>	<u>1,152,214</u>	<u>1,153,649</u>	<u>1,435</u>
EXCESS OF EXPENDITURES OVER REVENUE	(255,183)	(105,137)	(109,926)	(4,789)
FUND BALANCE AT BEGINNING OF YEAR	<u>575,353</u>	<u>575,353</u>	<u>575,353</u>	<u>-0-</u>
FUND BALANCE AT END OF YEAR	\$ <u>320,170</u>	\$ <u>470,216</u>	\$ <u>465,427</u>	\$ <u>(4,789)</u>

TWENTY-NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Schedule of compensation, benefits, and other payments to
Agency Head or Chief Executive Officer

Year Ended June 30, 2018

Agency Head Name: Victor E. Bradley, Jr.

Purpose	Amount
Salary	\$ 112,897
Benefits – insurance	18,229
Benefits – retirement	-0-
Benefits – other	-0-
Car Allowance/fuel	-0-
Vehicle provided by government	-0-
Cell phone	1,069
Dues	105
Per diem	-0-
Reimbursements	-0-
Travel/conferences	-0-
Registration fees	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	-0-
Total	<u>\$ 132,300</u>

OTHER SUPPLEMENTAL INFORMATION

UZEE, BUTLER, ARCENEUX & BOWES

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PATRICK J. BOWES, CPA
DOUGLAS L. UZEE, CPA
(1926 - 1988)
N. PAUL ARCENEUX, CPA
(RETIRED)

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 Public Defender
Twenty-Ninth Judicial District
Public Defender Fund
Hahnville, Louisiana

We have audited 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, the financial statements of the governmental activities and the major fund of the Twenty-Ninth Judicial District Public Defender Fund which comprise the statement of net position as of June 30, 2018, and the related statement of activities for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Twenty-Ninth Judicial District Public Defender Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Ninth Judicial District Public Defender Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Ninth Judicial District Public Defender Fund'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements that is more than inconsequential 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 over financial reporting 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. We did identify a deficiency in internal control that we consider to be a material weakness. This deficiency is described in the accompanying schedule of current and prior year audit findings and corrective action plan. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Twenty-Ninth Judicial District Public Defender Fund'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*.

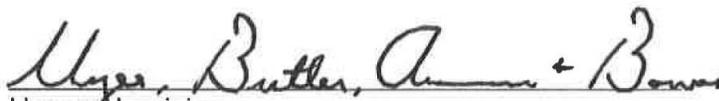
Response to Findings

The Twenty-Ninth Judicial District Public Defender Fund's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The Twenty-Ninth Judicial District Public Defender Fund'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.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Harvey Louisiana
December 19, 2018

TWENTY - NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Twenty-Ninth Judicial District Public Defender Fund.
2. A material weakness relating to the audit of the financial statements is reported in the 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. The material weakness results from a lack of adequate segregation of duties within the Accounting Department of the Twenty-Ninth Judicial District Public Defender Fund. No corrective action is planned regarding this material weakness, as the cost-benefit and limited number of personnel in the Accounting Department do not allow for adequate segregation of duties.
3. No instances of noncompliance material to the financial statements of the Twenty-Ninth Judicial District Public Defender Fund are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

NONE

TWENTY-NINTH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND

St. Charles Parish, Louisiana

Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan

Year Ended June 30, 2018

<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT PERIOD (6/30/18)						
<u>Internal Control:</u>						
18-01	Unknown	The District Public Defender Fund does not have adequate segregation of duties within the Accounting Department	N/A	None. Because of the cost - benefit and limited number of personnel in the Accounting Department, it is not possible to achieve adequate segregation of duties.	Victor E. Bradley Jr., Chief	N/A
PRIOR PERIOD (6/30/17)						
<u>Internal Control:</u>						
17-01	Unknown	The District Public Defender Fund does not have adequate segregation of duties within the Accounting Department	N/A	None. Same as above	Victor E. Bradley Jr., Chief	N/A