

ORLEANS PUBLIC DEFENDERS
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2015

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 23 2016**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	5
STATEMENT OF NET POSITION	12
STATEMENT OF ACTIVITIES.....	13
BALANCE SHEET - GOVERNMENTAL FUND.....	14
RECONCILIATION OF THE BALANCE SHEET--GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	15
STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE--GOVERNMENTAL FUND	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE-- GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES ...	17
NOTES TO THE FINANCIAL STATEMENTS	18

TABLE OF CONTENTS, CONTINUED

	<u>PAGE</u>
SUPPLEMENTARY INFORMATION:	
SCHEDULE I - Budgetary Comparison Schedule - Governmental Fund	33
SCHEDULE II - Schedule of Compensation, Benefits and Other Payments to Chief District Defender	34
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	35
SCHEDULE OF FINDINGS	38
SCHEDULE OF PRIOR YEAR FINDINGS	40
EXIT CONFERENCE	41



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INDEPENDENT AUDITORS' REPORT

To the District Defender
Orleans Public Defenders
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of **Orleans Public Defenders (OPD)** as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise **OPD's** basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the District Defender
Orleans Public Defenders
New Orleans, Louisiana

Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to **OPD'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 **OPD'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 information of **OPD** as of June 30, 2015, 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the District Defender
Orleans Public Defenders
New Orleans, Louisiana

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 5 through 11 and budgetary comparison information on page 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise OPD's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Chief District Defender is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the District Defender
Orleans Public Defenders
New Orleans, Louisiana

Other Matters, Continued

Other Information, Continued

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015, on our consideration of OPD'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 OPD's internal control over financial reporting and compliance.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 28, 2015

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

The Orleans Public Defenders' (OPD) Management's Discussion and Analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of OPD's financial activity, and identify changes in OPD's financial position and its ability to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and is intended to provide the financial results for the year ended June 30, 2015.

The following is an illustration on how this financial report is presented.

MD&A
Management's Discussion and Analysis
(Required Supplementary Information)

Basic Financial Statements
Government-Wide Financial Statements
Fund Financial Statements
Notes to the Financial Statements

Other Required Supplementary Information
Required Supplementary Information

ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

As indicated in the illustration, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of OPD's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of OPD's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of OPD is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. OPD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of OPD are categorized as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

Fund Financial Statements, Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and net change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

OPD maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and net change in fund balance for the general fund, which is considered to be the major fund.

OPD adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 32 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning **OPD's** budgetary comparison schedule for its major governmental fund. The required supplementary information can be found on page 33 of this report.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

Financial Analysis of OPD

Summary of Net Position

	As of	
	June 30, 2015	June 30, 2014
Assets		
Current assets	\$1,166,443	\$1,234,312
Capital assets, net book value	<u>50,595</u>	<u>66,127</u>
Total assets	<u>1,217,038</u>	<u>1,300,439</u>
Liabilities		
Current liabilities	38,468	13,022
Long-term liabilities	<u>75,474</u>	<u>63,317</u>
Total liabilities	<u>113,942</u>	<u>76,339</u>
Net Position		
Net investment in capital assets	50,595	66,127
Restricted	22,629	18,082
Unrestricted	<u>1,029,872</u>	<u>1,139,891</u>
Total net position	<u>\$1,103,096</u>	<u>\$1,224,100</u>

As indicated by the statement above, total net position at June 30, 2015 is \$1,103,096. Net position is separated into three categories: net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$232,204, which is an accumulation of capital assets year after year less any capital disposals. Accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, and expensed over the estimated useful life of the asset. Total accumulated depreciation is \$181,609.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

Financial Analysis of OPD, Continued

Restricted net position of \$22,629 represents contributions from non-profit organizations whose use has been limited by donor-imposed stipulations that will either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations.

The remaining \$1,029,872 of net position is unrestricted. Unrestricted net position is an accumulation of prior years' operating results. This balance is directly affected each year by OPD's operating results.

Results of Operations

	For the Year ended June 30, 2015	For the Year ended June 30, 2014
Revenues		
Program revenues	\$6,822,042	\$6,352,699
General revenues	<u>10,005</u>	<u>1,606</u>
Total revenues	<u>6,832,047</u>	<u>6,354,305</u>
Expenses		
Public defense	<u>6,953,051</u>	<u>6,033,734</u>
Total expenses	<u>6,953,051</u>	<u>6,033,734</u>
Change in net position	<u>\$ (121,004)</u>	<u>\$ 320,571</u>

As indicated above, net position decreased by \$121,004 due to a sharp and unforeseen decline in court revenue.

Total expenses for the year ended June 30, 2015 increased as compared to the year ended June 30, 2014 due to an increase in City and grant-funded personnel positions. Operating revenues for the year ended June 30, 2015 increased when compared to operating revenues for the year ended June 30, 2014 due to an increase in State supplemental funds, City appropriations, and grant funding.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

Capital Assets

At June 30, 2015, OPD has \$232,204 (net of accumulated depreciation of \$181,609) invested in furniture, fixtures and equipment. During the year ended June 30, 2015, OPD purchased \$9,100 of furniture, fixtures and equipment.

Economic Factors and Next Year's Budget

The major factor affecting the budget is the local revenue received from court costs on fines and forfeitures, which includes fees received from traffic, municipal, juvenile and criminal courts. Additionally, OPD receives grants, bond funds, a city appropriation, and a district allotment from the Louisiana Public Defender Board.

Budgetary Highlights

As required by state law, OPD adopts the original budget prior to the commencement of the fiscal year to which the budget applies.

Budgetary Comparison Data
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$6,722,050	\$6,576,789	\$6,658,953
Total revenues	<u>6,722,050</u>	<u>6,576,789</u>	<u>6,658,953</u>
Expenditures:			
Operating expenditures	6,688,100	6,863,100	6,916,262
Capital expenditures	<u>20,000</u>	<u>10,000</u>	<u>9,100</u>
Total expenditures	<u>6,708,100</u>	<u>6,873,100</u>	<u>6,925,362</u>
Net change in fund balance	<u>13,950</u>	<u>(296,311)</u>	<u>(266,409)</u>
Fund balance, beginning of year	<u>1,101,025</u>	<u>1,101,025</u>	<u>1,101,025</u>
Fund balance, end of year	<u>\$1,114,975</u>	<u>\$ 804,714</u>	<u>\$ 834,616</u>

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

Budgetary Highlights, Continued

OPD amended its original budget for the year ended June 30, 2015 to reflect a reduction in revenue due to a substantial decrease in court revenue (statutory fines, fees and court costs) and an increase in City appropriation and grant funding. Also, **OPD** amended its original budget to increase expenditures, specifically personnel and benefits and professional services as a result of additional City and grant funded staff.

Contacting OPD Financial Management

This financial report is designed to provide citizens, taxpayers, funding sources and creditors with a general overview of **OPD's** finances and demonstrate **OPD's** accountability for money it receives. If you have questions about this report or need additional information, contact Mr. Derwyn D. Bunton, Chief District Defender, at 2601 Tulane Avenue, Suite 700, New Orleans, Louisiana 70119.

ORLEANS PUBLIC DEFENDERS
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current Assets:	
Cash and cash equivalents (NOTES 1 and 2)	\$ 461,034
Court costs on fines and forfeitures receivable	199,707
City appropriation receivable	250,000
Reimbursements receivable	1,980
Grants receivable	48,859
District assistance funds receivable	<u>204,863</u>
Total current assets	<u>1,166,443</u>
Capital assets, net (NOTES 1 and 3)	<u>50,595</u>
Total assets	<u>1,217,038</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	<u>38,468</u>
Total current liabilities	<u>38,468</u>
Compensated absences (NOTE 4)	<u>75,474</u>
Total liabilities	<u>113,942</u>
NET POSITION (NOTE 8)	
Net investment in capital assets	50,595
Restricted	22,629
Unrestricted	<u>1,029,872</u>
Total net position	<u>\$1,103,096</u>

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

ORLEANS PUBLIC DEFENDERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

EXPENSES:

Public defense:

Personnel services and benefits	\$5,660,470
Professional development	22,679
Other operating costs	1,245,270
Depreciation	<u>24,632</u>

Total program expenses 6,953,051

PROGRAM REVENUES:

District assistance funds (NOTE 5)	2,707,409
City appropriation	1,113,623
Court costs on fines and forfeitures	2,357,289
Operating grants (NOTE 6)	369,937
Bond funds	248,506
Reimbursements and application fees	21,078
Probation assessments	<u>4,200</u>

Total program revenues 6,822,042

Net program expense (131,009)

GENERAL REVENUES:

Contributions	10,000
Interest income	<u>5</u>

Total general revenues 10,005

Change in net position (121,004)

Net position, at beginning of year 1,224,100

Net position, end of year \$1,103,096

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

ORLEANS PUBLIC DEFENDERS
BALANCE SHEET-GOVERNMENTAL FUND
JUNE 30, 2015

	<u>General Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$461,034
Court costs on fines and forfeitures receivable	199,707
Reimbursements receivable	1,980
Grant receivable	5,500
District assistance funds receivable	<u>204,863</u>
Total assets	<u>\$873,084</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	<u>\$ 38,468</u>
Total liabilities	<u>38,468</u>
Fund Balance (NOTE 8):	
Restricted	22,629
Unassigned	<u>811,987</u>
Total fund balance	<u>834,616</u>
Total liabilities and fund balance	<u>\$873,084</u>

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

ORLEANS PUBLIC DEFENDERS
RECONCILIATION OF THE BALANCE SHEET-
GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balance - Governmental Fund \$ 834,616

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 fund (NOTE 3):

Cost of capital assets	\$ 232,204	
Accumulated depreciation	<u>(181,609)</u>	50,595

Receivables not available to meet the liabilities
of the current period may not be included as
governmental fund revenue or receivables:

City of New Orleans appropriation receivable	250,000	
Grants receivable	<u>43,359</u>	293,359

Long-term liabilities are not due and payable in the
current period and therefore are not reported in the
governmental fund (NOTE 1)

(75,474)

Net position of governmental activities \$1,103,096

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

ORLEANS PUBLIC DEFENDERS
STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGE
IN FUND BALANCE--GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>
REVENUES (NOTE 9)	
District assistance funds	\$2,707,409
City appropriation	971,239
Court costs on fines and forfeitures	2,357,289
Grants	339,227
Bond funds	248,506
Reimbursements and application fees	21,078
Probation assessments	4,200
Other revenue	<u>10,005</u>
Total revenues	<u>6,658,953</u>
EXPENDITURES (NOTE 9)	
Personnel services and benefits	5,648,313
Professional development	22,679
Other operating costs	1,245,270
Capital outlays	<u>9,100</u>
Total expenditures	<u>6,925,362</u>
Net change in fund balance	(266,409)
Fund balance, beginning of year	<u>1,101,025</u>
Fund balance, end of year	<u>\$ 834,616</u>

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

ORLEANS PUBLIC DEFENDERS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND NET CHANGE IN FUND BALANCE--GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total net change in fund balance--Governmental Fund \$(266,409)

Amounts reported for governmental activities in
the Statement of Net Position are different because:

The Governmental Fund reported capital outlays as
expenditures whereas in the Statement of Activities
these costs are depreciated over their estimated lives:

Capital assets purchased	9,100	
Depreciation expense	<u>(24,632)</u>	(15,532)

Receivables not available to meet the liabilities of the
fiscal year may not be included as governmental fund
revenue or receivables:

City of New Orleans appropriation revenue	250,000	
Grant revenue	<u>43,359</u>	293,359

Receivables of the previous fiscal year that were not
available to meet the liabilities of that year, but which
were collected during the current fiscal year, are
included as governmental fund revenue of the current
fiscal year:

City of New Orleans appropriation revenue	(107,616)	
Grant revenue	<u>(12,649)</u>	(120,265)

In the statement of activities, the cost of compensated
absences is measured by the amounts earned during
the year, while in the governmental fund expenditures
are recognized based on the amounts actually paid for
leave used. This is the net amount of vacation and sick
leave used (earned) in excess of the amount earned
(used) in the current period.

(12,157)

Change in net position of governmental activities

\$(121,004)

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

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES:**

Background

Orleans Public Defenders (OPD), established in compliance with Louisiana Revised Statutes 15:146 et seq., provides counsel to represent indigents (needy individuals) in criminal, quasi-criminal, juvenile, municipal and traffic cases at the District Court level. The 41st judicial district encompasses the Parish of Orleans, Louisiana. All duties and responsibilities for the management of personnel, property and funds are by virtue of Act 307 those of the District Defender. Revenues to finance **OPD's** operations are provided primarily by District Assistance Funds from the Louisiana Public Defender Board (LPDB), City of New Orleans budget appropriations, and court costs on fines imposed by the various courts within the district.

Summary of Significant Accounting Policies

A. Implementation of GASB Statements

OPD implemented 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:

- **Nonspendable fund balance** - Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- **Restricted fund balance** - amounts constrained to specific purposes by their provider (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Summary of Significant Accounting Policies, Continued

A. Implementation of GASB Statements, Continued

- Committed fund balance - amounts constrained to specific purposes by **OPD** itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless **OPD** takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts **OPD** intends to use for a specific purpose. Intent can be expressed by the District Defender or by an official to which the District Defender delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

At June 30, 2015, **OPD** had no nonspendable, committed, or assigned fund balances.

OPD has also implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, effective fiscal year 2013. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets, title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Summary of Significant Accounting Policies, Continued

A. Implementation of GASB Statements, Continued

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the position of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion is included in the same component of net position as the unspent proceeds.

- Restricted - This component reports those net position with externally imposed constraints placed on their use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

B. Basis of Presentation

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

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Summary of Significant Accounting Policies, Continued

C. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, **OPD** is a part of the District Court System of the State of Louisiana. However, **OPD** operates autonomously from the State of Louisiana and independently from the District Court System. Therefore, **OPD** reports as an independent reporting entity and the financial statements include only the transactions of **OPD**.

D. Fund Accounting

OPD 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 **OPD** functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of **OPD** are classified as governmental.

The governmental funds account for all of **OPD's** general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the funds from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of **OPD**. The following is a description of **OPD's** governmental fund:

- General Fund - the operating fund of **OPD** which accounts for all financial resources. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to **OPD**.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - **BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Summary of Significant Accounting Policies, Continued

E. Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of OPD.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Fund Financial Statements (FFS)

Governmental funds 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 net change 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 differs from the manner in which the governmental activities of the governmental-wide statements and the statements for governmental funds are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Summary of Significant Accounting Policies, Continued

E. Basis of Accounting/Measurement Focus, Continued

Fund Financial Statements (FFS), Continued

FFS report detailed information about **OPD**. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. **OPD** uses the following practices in recording revenues and expenditures.

- Revenues - Court costs on fines and forfeitures are recorded in the month the amounts are collected by the appropriate courts. Interest income on time deposits is recorded when the time deposits have matured.
- Expenditures - Expenditures are recognized in the accounting period in which the liability is incurred.

F. Budgetary Data

OPD's Governing Authority as of July, 2008, is the District Defender by virtue of Act 307.

OPD utilizes the following budget practices:

- In the last quarter of the year, a budget for the following year is prepared and submitted to the Governing Authority for approval. The budget may be amended during the year, if requested, with the approval of the Governing Authority.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

Summary of Significant Accounting Policies, Continued

F. Budgetary Data, continued

- The budget records are maintained in the accounting department with all other public records of this program and can be reviewed by making arrangements with the Governing Authority.
- The budget is based on prior year experience as to receipts and disbursements and takes into consideration increases in costs of services and supplies, taxes, insurance and equipment, as well as the increased costs of salaries and fringe benefits when raises and/or new positions are authorized. The budget as a whole is based on the amount of money that is available and the disbursements that are necessary to maintain the efficient operation of this program.
- Monthly financial reports are submitted to the Governing Authority, which in part list the amount of the budget that has been used for that period and indicates a favorable or unfavorable difference as to the budget amount attributed to the period of time being reported.
- All budgetary appropriations lapse at the end of the fiscal year and **OPD** does not use a system of encumbrance accounting.
- The budget for the general fund expenditures is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less. Under state law, **OPD** may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other State of the United States, or under the laws of the United States.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - BACKGROUND AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

H. Capital Assets

Capital assets are stated at historical cost at the date of purchased or at fair market value at the date of donation, if donated. Additions, improvements, and expenditures greater than \$1,000 that significantly extend the useful life of an asset are capitalized.

Depreciation is provided over the estimated useful lives of assets using the straight-line method. The estimated useful lives of furniture, fixtures and equipment range from three (3) to seven (7) years (see NOTE 3).

I. Compensated Absences

Employees earn one and one-half (1 ½) days of annual leave each month. Sick leave is earned at the rate of one (1) day each month. A maximum of 40 hours of annual leave and 120 hours of sick leave may be carried over to the subsequent year. Upon termination of employment, any unused accrued annual leave is payable to the employee while any unused sick leave is forfeited.

J. Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - CASH AND CASH EQUIVALENTS:

At June 30, 2015, OPD has cash and cash equivalents (book balances) totaling \$461,034. 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 on deposit with the fiscal agent. These securities are held in the name of OPD in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of failure of a financial institution or counterparty, OPD would not be able to recover its deposits, investments or collateral securities that are in the possession of an outside party. At June 30, 2015, OPD has \$562,497 in deposits (collected bank balances) at two financial institutions. These deposits are secured from risk by \$250,000 of federal deposit insurance per bank, with the remaining balance collateralized by pledged securities held by the custodial bank in the name of OPD.

NOTE 3-- CAPITAL ASSETS:

Capital assets and depreciation activity as of and for the year June 30, 2015 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Capital Assets</u>				
Furniture, fixtures and equipment	\$ 223,104	\$ 9,100	\$ -0-	\$ 232,204
Less: accumulated depreciation	(156,977)	(24,632)	-0-	(181,609)
Net capital assets	\$ <u>66,127</u>	\$ <u>(15,532)</u>	\$ <u>-0-</u>	\$ <u>50,595</u>

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - COMPENSATED ABSENCES:

The following schedule summarizes the change in long-term compensated absences for the year ended June 30, 2015:

Compensated absences at July 1, 2014	\$ 63,317
Additions	334,468
Deductions	<u>(322,311)</u>
Compensated absences at June 30, 2015	<u>\$ 75,474</u>

NOTE 5 - DISTRICT ASSISTANCE FUND:

During the year ended June 30, 2015, OPD was awarded and received grant funds from the Louisiana Public Defender Board's (LPDB) District Assistance Fund in the amount of \$2,707,409.

The District Assistance Fund is a grant-in-aid program intended to provide supplemental financial assistance in felony cases to district public defender boards that have a need for such supplemental funding and that are willing to comply with the standards, guidelines, and policies of the LPDB.

Funding under the program is being provided to assist qualified districts in improving the quality of indigent defense on a continuous basis especially with respect to the following major goals:

- 1) To lower attorney caseloads to levels consistent with LPDB and national caseload standards;
- 2) To increase the pool of qualified attorneys certified under the LPDB's capital and appellate programs;
- 3) To provide more effective attorney unit support in the form of investigators, secretaries, and other forms of office support;
- 4) To improve criminal defense knowledge and skill through training, specialized continuing legal education, and better supervision; and
- 5) To defray expert witness/testing costs.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - GRANTS:

OPD received grant funding from the following sources during the year ended June 30, 2015:

City of New Orleans	\$ 90,420
Open Society Foundations	125,000
American Bar Association	38,350
SPDTC Fellows	44,000
Columbia University	30,000
Georgetown Law Center	22,500
Greater New Orleans Foundation	<u>19,667</u>
Total	<u>\$369,937</u>

NOTE 7 - OPERATING LEASE:

OPD leases office space under a non-cancellable operating lease that ends July 31, 2017 with a monthly lease payment of \$24,500. Future minimum lease payments under the lease are as follows:

For the Year Ending <u>June 30,</u>	
2016	\$291,500
2017	294,000
2018	<u>24,500</u>
Total	<u>\$610,000</u>

Lease expense for the year ended June 30, 2015 was \$264,000.

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - CLASSIFICATION OF NET POSITION AND FUND BALANCES:

On the GWFS, net position is separated into three categories: net investment in capital assets, restricted, and unrestricted. On the FFS, fund balances are separated into two categories: unassigned and restricted.

The restricted balance on the GWFS and FFS represents the portion of previously recognized grant revenues for which donor-imposed restrictions have not yet been met. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the government considers restricted funds to have been spent.

On the GWFS and FFS, restricted net position as of June 30, 2015 consists of the following:

Expert fees	\$ 7,879
Racial justice improvement	8,040
Recruitment	<u>6,710</u>
Total	<u>\$22,629</u>

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES:

For the year June 30, 2015, the major sources of governmental fund revenues and expenditures were as follows:

Revenues		
State Government		
Appropriations - general	\$2,493,888	
Appropriations - special	213,521	
Revenue sharing	-0-	
Grants	-0-	
On-behalf payments	-0-	
Other	<u>-0-</u>	
Total		<u>\$2,707,409</u>
Local Government		
Appropriations - general	971,239	
Appropriations - special	-0-	
Grants	90,420	
Statutory fines, forfeitures, fees, court costs, and other	2,631,073	
Taxes - millages, sales, special, and other	-0-	
Criminal court fund	-0-	
On-behalf payments	-0-	
Other	<u>-0-</u>	
Total		<u>3,692,732</u>
Federal Government:		
Grants - direct	-0-	
Grants - indirect (passed-through state)	<u>-0-</u>	
Total		<u>-0-</u>
Other Grants and Contributions		
Non-profit organizations	248,807	
Private organizations	-0-	
Corporate	-0-	
Other	<u>10,000</u>	
Total		<u>258,807</u>
Charges for Services		<u>-0-</u>
Investment earnings		<u>5</u>
Miscellaneous		<u>-0-</u>
Total revenues		<u>\$6,658,953</u>

ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 9 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES,
CONTINUED:

Expenditures

Personnel Services and Benefits

Salaries	\$4,383,512	
On-behalf payments - salaries	-0-	
Retirement contributions	-0-	
On-behalf payments - retirement	-0-	
Insurance	549,719	
On-behalf payments - insurance	-0-	
Payroll taxes	373,920	
Other	<u>341,162</u>	
Total		<u>\$5,648,313</u>

Professional Development

Dues, licenses, and registrations	22,679	
Travel	-0-	
Other	<u>-0-</u>	
Total		<u>22,679</u>

Operating Costs

Library and research	35,864	
Contract services - attorney/legal	504,639	
Contract services - other	102,927	
Lease - office	264,000	
Lease - autos and other	6,109	
Travel - transportation	20,563	
Travel - other	13,389	
Insurance	57,693	
Supplies	47,017	
Repairs and maintenance	11,690	
Utilities and telephone	62,246	
Other	<u>119,133</u>	
Total		<u>1,245,270</u>

Debt Service

-0-

Capital Outlays

9,100

Total expenditures		<u>\$6,925,362</u>
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ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - PENSION PLAN:

OPD's employees participate in the federal social security program. **OPD** is required to remit an amount to the Social Security Administration equal to the employee's contribution up to an established limit. **OPD** does not guarantee any of the benefits granted by the Social Security Administration.

NOTE 11 - RISK MANAGEMENT:

OPD is exposed to various risks of loss related to torts, theft of, and damage to and destruction of assets for which **OPD** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 12 - DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through December 28, 2015, the date which the financial statements were available to be issued, and noted no subsequent events or transactions that occurred after the financial statement date requiring accrual or disclosure.

SUPPLEMENTARY INFORMATION

SCHEDULE I

ORLEANS PUBLIC DEFENDERS
BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Final Budget Positive/ (Negative)
Revenues				
District assistance funds	\$ 2,502,550	\$ 2,502,550	\$ 2,707,409	\$ -0-
City appropriation	931,000	971,239	971,239	-0-
Court costs on fines and forfeitures	2,722,500	2,422,000	2,357,289	(64,711)
Grants	325,000	395,000	339,227	(55,773)
Bond funds	225,000	245,000	248,506	3,506
Reimbursements and application fees	10,000	25,000	21,078	(3,922)
Probation assessments	6,000	6,000	4,200	(1,800)
Other revenue	-0-	10,000	10,005	5
Total revenues	<u>6,722,050</u>	<u>6,576,789</u>	<u>6,658,953</u>	<u>(122,695)</u>
Expenditures				
Personnel services and benefits:				
Salaries	4,180,000	4,340,000	4,383,512	(43,512)
Accrued leave	350,000	360,000	334,468	25,532
Hospitalization insurance	600,000	550,000	549,719	281
Payroll taxes	350,000	375,000	373,920	1,080
Workers' compensation	10,000	10,000	6,694	3,306
Professional development	20,000	20,000	22,679	(2,679)
Other operating costs:				
Contract services - attorneys/legal	424,000	470,000	504,639	(34,639)
Contract services - other	101,100	101,100	102,927	(1,827)
Lease - building	264,000	264,000	264,000	-0-
Lease - equipment	6,000	6,000	6,109	(109)
Supplies	50,000	42,000	47,017	(5,017)
Insurance	58,000	58,000	57,693	307
Library and research	30,000	30,000	35,864	(5,864)
Utilities and telephone	70,000	60,000	62,246	(2,246)
Repair and maintenance	20,000	12,000	11,690	310
Other	155,000	165,000	153,085	11,915
Capital outlays	20,000	10,000	9,100	900
Total expenditures	<u>6,708,100</u>	<u>6,873,100</u>	<u>6,925,362</u>	<u>(52,262)</u>
Net change in fund balance	13,950	(296,311)	(266,409)	29,902
Fund balance - June 30, 2014	<u>1,101,025</u>	<u>1,101,025</u>	<u>1,101,025</u>	<u>-0-</u>
Fund balance - June 30, 2015	<u>\$ 1,114,975</u>	<u>\$ 804,714</u>	<u>\$ 834,616</u>	<u>\$ 29,902</u>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

**ORLEANS PUBLIC DEFENDERS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO CHIEF DISTRICT DEFENDER
FOR THE YEAR ENDED JUNE 30, 2015**

Chief District Defender Name: Derwyn D. Bunton

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$116,000
Benefits - insurance	6,435
Benefits - payroll taxes	8,874
Benefits - mobile phone	774
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	128
Travel	-0-
Registration fees	730
Conference travel	2,283
Continuing professional education fees	2,070
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

See Independent Auditors' Report on Supplementary Information.



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

(Retired)
Michael B. Bruno, CPA (2011)

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

To the District Defender
Orleans Public Defenders
New Orleans, 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 **Orleans Public Defenders (OPD)**, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise **OPD's** basic financial statements, and have issued our report thereon dated December 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **OPD'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 **OPD's** internal control. Accordingly, we do not express an opinion on the effectiveness of **OPD's** internal control.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting, Continued

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether OPD'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*.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 28, 2015

ORLEANS PUBLIC DEFENDERS
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

We have audited the financial statements of **Orleans Public Defenders** as of and for the year ended June 30, 2015, and have issued our report thereon dated December 28, 2015. 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. Our audit of the financial statements as of and for the year ended June 30, 2015 resulted in unmodified opinions.

Section I - Summary of Auditors' Results

- A. Significant deficiencies in internal control were disclosed by the audit of the financial statements: **None reported** Material weaknesses: **No**
- B. Noncompliance which is material to the financial statements: **No**
- C. Significant deficiencies in internal control over major programs: **Not applicable**
Material weaknesses: **Not applicable**
- D. The type of report issued on compliance for major programs: **Not applicable**
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-133: **Not applicable**
- F. Major programs: **Not applicable**
- G. Dollar threshold used to distinguish between Type A and Type B programs: **Not applicable**
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: **Not applicable**
- I. A management letter was issued: **No**

ORLEANS PUBLIC DEFENDERS
SCHEDULE OF FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

Section II - Internal Control and Compliance Material to the Financial Statements

No matters reported.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

**ORLEANS PUBLIC DEFENDERS
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

Section I - Internal Control and Compliance Material to the Financial Statements

No matters reported.

Section II - Federal Award Findings and Questioned Costs

Not applicable.

Section III - Management Letter

No matters reported.

ORLEANS PUBLIC DEFENDERS

EXIT CONFERENCE

An exit conference was held with members of management to discuss the audit report. The following persons were in attendance:

ORLEANS PUBLIC DEFENDERS

Mr. Derwyn D. Bunton	--	Chief District Defender
Ms. Dannielle Berger	--	Director of Administration

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA	--	Managing Partner
Mrs. Sherina R. Clavier, CPA	--	Manager