



Luther Speight & Company
Certified Public Accountants and Consultants

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA

SUPPLEMENTAL FUND

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
 <u>Financial Statements</u>	
Statement of Net Position – Supplemental Fund – Fiscal Year Ended June 30, 2019	3
Statement of Activities and Change in Net Position – Supplemental Fund – Fiscal Year Ended June 30, 2019	4
Statement of Cash Flows – Supplemental Fund – Fiscal Year Ended June 30, 2019	5
Notes to the Financial Statements	6-9
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>	10-11
Schedule of Findings and Responses	12-13
Status of Prior Findings	14
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	15



Luther Speight & Company
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Dr. Dwight McKenna
Coroner for the Parish of Orleans

We have audited the accompanying financial statements of the Supplemental Fund of the Coroner for the Parish of Orleans, as of and for the fiscal year ended June 30, 2019, 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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA/ (504)561-8600
Baton Rouge Office: 2900 Westfork Drive, Suite 401/Baton Rouge, LA 70827/ (225)275-9100
Memphis Office: 119 S. Main Street, Suite 500/Memphis, TN/(901)322-4238

Continued,

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Supplemental Fund of the Coroner for the Parish of Orleans, as of June 30, 2019, and the changes in net position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Supplemental Fund of the Coroner and do not purport to, and do not, present fairly the net position of the Coroner for the Parish of Orleans, as of June 30, 2019, the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The *Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer* is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 19, 2019, on our consideration of the Coroner's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coroner's internal control over financial reporting and compliance.



Luther Speight & Company CPAs
New Orleans, Louisiana
December 19, 2019

Orleans Parish Coroner's Office
New Orleans, Louisiana
Statement of Net Position - Supplemental Fund
As of June 30, 2019

Assets

Cash and Cash Equivalents	\$ 24,434
Grant Receivable	4,166
Accounts Receivable, net	<u>23,666</u>
Total Assets	<u><u>52,266</u></u>

Liabilities and Net Position

Liabilities:

Accounts Payable	62,201
Checks in Excess of Bank Balance	24,423
Line of Credit	<u>9,629</u>
Total Liabilities	<u>96,253</u>

Net Position:

Unrestricted	<u>(43,987)</u>
Total Net Position	<u>(43,987)</u>
Total Liabilities and Net Position	<u><u>\$ 52,266</u></u>

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

Orleans Parish Coroner's Office
New Orleans, Louisiana
Statement of Activities and Change in Net Position - Supplemental Fund
For the Year Ended June 30, 2019

Fees for Services

Autopsy and Toxicology Reports - Out of Parish	\$ 164,620
Cremation Reports	119,400
Storage	57,850
Grant Support	37,494
Autopsy Reports	7,275
Miscellaneous Revenue	2,335
DNA Reports	1,830
Pouches	<u>870</u>
Total Fees For Services	<u>391,674</u>

Expenditures

Contract Services	142,715
Professional Fees	112,264
Medical Services	69,018
Supplies - Operations	56,980
Consultant Services	48,504
Repairs and Maintenance	27,954
Communications	21,279
Printing and Reproduction	12,978
Burial Expenses	4,400
Office Expenses	4,234
General Insurance	3,556
Miscellaneous	3,158
Travel, Conferences, and Conventions	2,714
Dues and Memberships	183
Interest Expense	167
Storage	<u>142</u>
Total Expenditures	<u>510,246</u>

Change in Net Position	(118,572)
Net Position, Beginning of Period	<u>74,585</u>
Net Position End of Period	<u><u>\$ (43,987)</u></u>

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

Orleans Parish Coroner's Office
New Orleans, Louisiana
Statement of Cash Flows - Supplemental Fund
For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Position	\$ (118,572)
Adjustments to reconcile changes in net assets to net cash provided in operating activities:	
Decrease in Accounts Receivables	6,206
Increase in Accounts Payable	19,998
Net Cash Used by Operating Activities	<u>(92,368)</u>
CASH FLOWS FROM FINANCING ACTIVITES	
Net Borrowings of Line of Credit	<u>9,629</u>
Net Cash Provided/Used By Financing Activities	<u>9,629</u>
Net Change in Cash and Cash Equivalents	<u>(82,739)</u>
Beginning Cash and Cash Equivalents	<u>107,173</u>
Ending Cash and Cash Equivalents	<u><u>\$ 24,434</u></u>

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

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Formation and Operation - The authority for the Orleans Parish Coroner's Office (the Coroner's Office) is provided under Article V, Section 29 of the Louisiana Constitution of 1974.

The Coroner's Office determines the manner and cause of death. The Coroner's Office performs autopsies and issues death certificates. It also evaluates the mentally ill and the chemically dependent and determines the appropriate action for those persons.

Dr. Dwight McKenna was sworn in as the Orleans Parish Coroner on May 7, 2018.

Reporting Entity

The Orleans Parish Coroner is an independently elected parish official to serve a four year term. As such, the Coroner is solely responsible for the operations of his office, and accordingly, is a separate governmental entity. The accompanying financial statements represent the financial activity of the supplemental fund of the Coroner's Office. The financial activities included self generated revenues and related disbursements solely from this fund. Accordingly, these financial statements do not report to present net position, results of operation, and cash flows for the Coroner's Office as a whole.

Basis of Presentation- The accompanying statements of net position of the Orleans Parish Coroner's Office have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) 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.

Basis of Accounting- The Coroner's Office uses the accrual basis of accounting to report on its financial position and statement of activities. As such revenues are recorded when earned and measurable and expenditures are recorded when due and payable.

Supplemental Fund – The supplemental fund accounts for the financial activities related to services performed by the Coroner's Office on behalf of parishes other than Orleans. Services performed on behalf of Orleans Parish are accounted for in the basic financial statements of the Coroner's Office and are not a part of these financial statements.

ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – (CONTINUED)

Cash and Cash Equivalents- Cash includes amounts in demand deposits, interest-bearing deposits, and time deposits. Under state law, the Coroner's Office 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. Cash and cash equivalents include all highly liquid investments. Checks in excess of bank balance are reclassified to liabilities on the Statement of Financial Position.

Accounts Receivable- Receivables are comprised of payments to be received at a later date for services utilized by customers and other parishes. When revenue is earned, the appropriate receivable is recorded. When payments are received the receivable is reduced. The Coroner's Office routinely reviews customer balances for collectability. If there is any doubt that a customer payment will be received, the Coroner's Office records an allowance for doubtful accounts. See Notes 2 and 3 for additional information on accounts receivable and the allowance for doubtful accounts.

Net Position – The Coroner's Office follows the provisions of Governmental Accounting Standards Board for State and Local Governments which established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of activities and changes in net position, and a statement of cash flows. It requires the classification of net position into three components - Restricted, Temporarily Restricted and Unrestricted.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Coroner to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Net Investment in Capital Assets – This component consist of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

**ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

Net Position (continued)

As a result of activity through June 30, 2019, there is no balance in restricted or net investment in capital assets of net position.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts Receivable at June 30, 2019 was comprised of the following:

Out of Parish Autopsy & Toxicology Reports	\$ 39,275
Miscellaneous	2,246
Storage	1,650
Cremation Reports	190
Pouch	30
Total Accounts Receivable	<u>43,391</u>
Allowance for Doubtful Accounts	<u>(19,725)</u>
Total Accounts Receivable, Net	<u><u>\$ 23,666</u></u>

NOTE 3 – PROVISION FOR BAD DEBT

The Coroner's Office did not record a provision for doubtful accounts during the year ended June 30, 2019. The allowance for doubtful accounts for the year ended June 30, 2019 was \$19,725.

NOTE 4 – GRANT REVENUE AND RECEIVABLES

The Coroner's Office has a contract with the Louisiana Office of Public Health – Bureau of Family Health to provide consulting services. The purpose of the contract is to provide services of a Medicolegal Death Investigator of the New Orleans Forensic Center to serve as the liaison to the Louisiana Department of Health, Office of Public Health – Bureau of Family Health for the required deliverables of the Centers for Disease Control and Prevention National Violent Death Reporting System. The effective date of the contract is September 1, 2016 and the contract goes through August 31, 2019. The Coroner's Office receives \$4,166 a month, with a maximum contract amount of \$149,997. At June 30, 2019, the Coroner's Office had outstanding grant receivables in the amount of \$4,166, which represents one month of payments under the contract. The Coroner's Office received the outstanding receivable in July 2019.

**ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – PUBLIC SUPPORT AND REVENUES

The Coroner's Office support and revenues are earned as the office performs public safety services to citizens of Orleans Parish and other parishes. The Coroner's Office charges fees for the following services: autopsy reports, toxicology reports, DNA reports, transportation, storage, pouches, and burials. Total public support and revenues for the period ended June 30, 2019 was \$351,845 while the Coroner's Office received \$37,494 in grant support.

NOTE 6 – FACILITIES, FURNITURE, FIXTURES AND EQUIPMENT OWNED BY OTHER ENTITIES

The facilities, furniture, fixtures and equipment along with the office space occupied by the Coroner's Office for the Parish of Orleans is owned by the City of New Orleans, which is statutorily required to provide office space for the Coroner.

NOTE 7 – LINE OF CREDIT

The Coroner's Office has a revolving line of credit with a financial institution with maximum borrowings of \$20,100. The line of credit has an interest rate of 6.5% and matures on March 5, 2020. The outstanding balance as of June 30, 2019 was 9,629.04.

NOTE 8 – NET POSITION DEFICIT

The Supplemental Fund of the Coroner's Office for the Parish of Orleans has a net position deficit of \$43,987 at June 30, 2019. Since these financial statements only represent the Supplemental Fund (see Note 1), the net position deficit does not reflect on the overall solvency of the Coroner's Office as a whole.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 19, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



Luther Speight & Company
Certified Public Accountants and Consultants

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

To the Honorable Dr. Dwight McKenna
Coroner for the Parish of Orleans

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 Supplemental Fund of the Coroner for the Parish of Orleans (the Coroner), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses at Finding No. 2019-01, that we consider to be a significant deficiency.

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA/ (504)561-8600
Baton Rouge Office: 2900 Westfork Drive, Suite 401/Baton Rouge, LA 70827/ (225)275-9100
Memphis Office: 119 S. Main Street, Suite 500/Memphis, TN/(901)322-4238

Continued,

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coroner's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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*.

Coroner's Office Response to Findings

The Coroner's Office response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Coroner's Office's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

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



Luther Speight & Company CPAs

New Orleans, Louisiana

December 19, 2019

**ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

FINDING #2019-01 – DEPOSIT PROCEDURES ARE NOT ADEQUATE (Originated in 2018)

CRITERIA:

Best practices related to deposit procedures set forth by the Louisiana Legislative Auditor and generally accepted accounting principles provide that fee receipts should be deposited on a timely basis to facilitate accurate financial reporting and to adequately safeguard the Organization's assets.

CONDITION:

The Coroner's Office did not deposit check and money order receipts on a timely basis. Receipts were accumulated in certain instances in excess of one week. The receipts were maintained in a locked file box before bank deposits were made. In addition, a daily check receipt log was not maintained that reflected each check or money order received at the Coroner's Office and subsequently reconciled to the bank statements.

CAUSE:

The Coroner's Office did not implement adequate internal control procedures related to timely recordation and deposit of check and money order receipts.

EFFECT:

Although the Coroner's bank reconciliations properly accounted for the check and money order receipts, the untimely deposit of receipts increases the risk of errors in financial reporting.

RECOMMENDATION:

We recommend that the Coroner's Office keep a check and money order receipt log to record receipts when they are received. In addition, the Coroner's Office should make deposits on a timely basis. The receipt log should be compared to the bank statement on a monthly basis in order to verify that all checks that were received were deposited timely.

MANAGEMENT RESPONSE:

The Coroner's Office will create and keep a check/money order receipt log as these are received. As no cash is received, check/money order deposits will be made weekly or more often as it is deemed necessary. The Coroner's Office will reconcile the check/money order log to the deposits on a monthly basis. Accountant will reconcile deposits to the bank statements to ensure all checks received have been deposited timely. Accountant will research any undeposited checks/money orders monthly.

**ORLEANS PARISH CORONER'S OFFICE
NEW ORLEANS, LOUISIANA
STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Finding #</u>	<u>Description</u>	<u>Resolved / Unresolved</u>
2018-01	DEPOSIT PROCEDURES ARE NOT ADEQUATE	Unresolved*

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2019**

Agency Head Name: Dwight McKenna, M.D.

Purpose	Amount
Salary	100,000
Benefits-insurance	None
Benefits-retirement	22,580
Benefits-Section 125	none
Car allowance	none
Vehicle provided by government	yes
Per diem	none
Reimbursements	none
Travel	none
Registration fees	none
Conference travel	none
Continuing professional education fees	none
Housing	none
Unvouchered expenses*	none
Special meals	none