

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND**

Financial Statements

June 30, 2019

*DUCOTE & COMPANY
Certified Public Accountants
219 North Washington Street
P. O. Box 309
Marksville, LA 71351*

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**Component Unit Financial Statements
June 30, 2019**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Mr. Bradley E. Dauzat
Administrator
Twelfth Judicial District Indigent Defender Fund
Marksville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the Twelfth Judicial District Indigent Defender Fund, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to the management's financial data and making inquiries of the management of the Twelfth Judicial District Indigent Defender Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do express such an opinion.

Management's Responsibility for the Financial Statements

The management of the Twelfth Judicial District Indigent Defender Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 28 and the schedules concerning net pension liability (asset) and pension contributions on pages 29-31 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the representation of management. We have not audited or reviews such supplementary information, and accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has omitted the management's discussion and analysis, information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements were not affected by this missing information.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 6, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF NET POSITION
June 30, 2019**

ASSETS

Cash	\$177,716
Accounts receivable	23,914
Deposits	525
Property and equipment (net of accum depr)	0
TOTAL ASSETS	<u>202,155</u>

DEFERRED OUTFLOWS OF RESOURCES

89,120

LIABILITIES

Accounts payable	11,256
Net pension liability	99,344
TOTAL LIABILITIES	<u>110,600</u>

DEFERRED INFLOWS OF RESOURCES

6,841

NET POSITION

Restricted	173,834
TOTAL NET POSITION	<u><u>\$173,834</u></u>

The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Operating Grants</u>	<u>Net (Expenses) Revenues</u>
<i><u>Governmental Activities</u></i>			
General Government			
Salaries	\$144,200	\$171,138	\$26,938
Payroll taxes and retirement	31,678	37,596	\$5,918
Insurance	2,841	3,372	\$531
Contract labor	178,600	211,964	\$33,364
Rent	7,800	9,257	\$1,457
Professional fees	3,600	4,273	\$673
Other expenses	<u>11,913</u>	<u>14,138</u>	<u>\$2,225</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$380,632</u>	<u>\$451,738</u>	71,106
General Revenues:			
Interest			<u>353</u>
Change in net position			71,459
Net position - beginning of year			<u>102,375</u>
Net position - end of year			<u>\$173,834</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**BALANCE SHEET
GOVERNMENTAL FUND-GENERAL FUND
June 30, 2019**

ASSETS

Cash	\$177,716
Accounts receivable	23,914
Deposits	<u>525</u>
TOTAL ASSETS	<u>\$202,155</u>

LIABILITIES

Accounts payable	<u>\$11,256</u>
TOTAL LIABILITIES	<u>11,256</u>

EQUITY AND OTHER CREDITS

Fund balance, restricted	<u>190,900</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$202,155</u>
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The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2019**

Total fund balance for the governmental fund at June 30, 2019	\$190,900
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Amounts reported for governmental activities in the
statement of net position are different because:

Deferred outflows and inflows that are not financial resources
or currently payable:

Deferred outflows	\$89,120	
Deferred inflows	<u>(6,841)</u>	82,279

Non current liabilities are not measurable and due in the current
period and, therefore, are not reported in the governmental
funds:

Net pension liability	<u>(99,344)</u>
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Net position at June 30, 2019	<u><u>\$173,834</u></u>
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The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND-GENERAL FUND
For the Year Ended June 30, 2019**

REVENUES

Court costs on fines & forfeitures	\$233,170
Intergovernmental Revenues:	
State Grant	218,568
Interest earnings	<u>353</u>
Total Revenues	<u>452,091</u>

EXPENDITURES

General government	
Salaries and related benefits	162,910
Contract attorneys	178,600
Legal and accounting	3,600
Insurance	2,841
Capital outlay	0
Other	<u>19,713</u>
Total Expenditures	<u>367,664</u>
Excess (Deficiency) of Revenues Over Expenditures	84,427
Fund balance, beginning of year	<u>106,473</u>
Fund balance, end of year	<u><u>\$190,900</u></u>

The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019**

Total net changes in fund balance for the year ended June 30, 2019, per Governmental Funds:	\$84,427
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Amounts reported for governmental activities in the statement of
activities are different because:

Net pension expense is reported in governmental funds as
expenditures as they are paid; however, in the statement of
activities the net pension expense is reported according to
the estimates required by GASB 68:

Revenue or (expense) recognized due to difference
between projected and actual pension expense:

Pension expense paid	16,583	
Pension expense per GASB 68	<u>(29,551)</u>	<u>(12,968)</u>

Changes in net position of governmental funds	<u><u>\$71,459</u></u>
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The accompanying notes are an integral part of this financial statement.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

INTRODUCTION

The Twelfth Judicial District Indigent Defender Fund was established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parish of Avoyelles, Louisiana.

During the 2007 Regular Session of the Louisiana State Legislature, Act No. 37 was adopted, thereby creating and establishing as a state agency within the office of the governor, the Louisiana Public Defender Board to provide for the supervision, administration and delivery of a statewide public defender system, which must deliver uniform public defender services in all courts in the state. The Board is composed of fifteen members who are appointed by the governor, chief justice of the Supreme Court of Louisiana, the president of the Senate, the speaker of the House of Representatives, the president of the Louisiana State Bar Association, the Louisiana Chapter of the Louis A. Marinet Society, the chairman of the Louisiana State Law Institute's Children Code Committee and the Louisiana Interchurch Conference. The Board is funded by deductions from fines and forfeitures to administer the indigent defender system of the district courts. Expenditures are governed by Act 307 of 2007 and the actions of the Board. The creation of this statewide agency required all Indigent Defender Funds to report on a June 30th year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The indigent defender fund is part of the operations of the district court system. However, the district court system is fiscally dependent on the Avoyelles Parish Police Jury for office space and courtrooms. In addition, the police jury's general-purpose financial statements would be incomplete or misleading without inclusion of the indigent defender board. For these reasons, the indigent defender fund was determined to be a component unit of the Avoyelles Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Twelfth Judicial District Indigent Defender Fund and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government wide fund financial statements report the information of all the non-fiduciary activities of the Twelfth Judicial District Indigent Defender Fund. Governmental activities are normally supported by fees and assessments and state funding, which are reported separately from any business-type activities, which rely to a significant extent on fees and user charges.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fees, assessments and state funding, collected by the Twelfth Judicial District Indigent Defender Fund.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financials statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In accordance with Statement No. 63, in some instances, the Governmental Accounting Standards Board require a governmental entity to delay recognition of decreases in net position as expenditures until a future period. In other instances, governmental entities are required to delay a recognition of increase in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delay recognition of expenditures or revenues, respectively.

C. FUND ACCOUNTING

The Indigent Defender Fund 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 board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING (continued)

Governmental Funds - Governmental funds account for all or most of the Indigent Defender Board'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 fund 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 the board. The following are the board's governmental funds:

General Fund - the primary operating fund of the Indigent Defender Board and it accounts 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 or transferred in accordance with state and federal laws and according to board policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

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

The amounts reflected in the General Fund, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Indigent 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, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available are net current assets.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the fund as a whole. These statements include all the financial activities of the Indigent Defender Fund. Information contained in these statements reflects 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*.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from board users as a fee for services; program revenues reduce the cost of the function to be financed from the board's general revenues.

E. BUDGETS

The Indigent Defender Fund uses the following budget practices:

1. The budget is prepared by the administrator and submitted to the state
2. The budget is used as a management tool for revenue and expense control
3. All budgetary appropriations lapse at year-end

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and time deposits. Under state law, the Indigent Defender Fund may deposit funds in demand deposits, interest-bearing deposits, 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.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES

The Indigent Defender Fund does not have a formal policy for vacation and sick leave.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost, if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5 – 7 years
Furniture and fixtures	5 – 7 years

I. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and displayed in two components:

Investment in capital assets – consists of capital assets including restricted assets, net of accumulated depreciation

Restricted net assets - consists of net assets restricted for indigent defender fund activities

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. GOVERNMENTAL FUND BALANCES

In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the Twelfth Judicial District Indigent Defender Fund.

Assigned fund balance – amounts that are constrained by the Twelfth Judicial District Indigent Defender Fund's intent that they will be used for specific purpose.

Unassigned fund balance - all other amounts not included in the other spendable classifications

NOTE 2 – CASH AND CASH EQUIVALENTS

At year end, June 30, 2019, the cash consisted of deposits with banks, with a book value of \$177,716. These deposits are stated at cost, which approximates market and are on deposit at federally insured banks.

Custodial Credit Risk: is the risk that in the event of a bank failure, the government's deposits may not be returned to it. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. It is the entity's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at fiscal year-end. The categories are described as follows:

- Category 1 – Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 – Collateralized with securities held by the pledging financial institutions' trust department or agent in the entity's name.
- Category 3 – Uncollateralized

At June 30, 2019 the district had \$199,428 respectively, in deposits (collected bank balances). Of the total bank balance, \$199,428 was covered by Federal Depository Insurance – Category 1. The Indigent Defender Fund had no custodial credit risk at June 30, 2019.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, LA R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Twelfth Judicial District Indigent Defender Fund that the fiscal agent has failed to pay deposited funds upon demand. The funds on deposit shall be collateralized an amount at all times equal to 100% by pledged "approved securities" as specified by LA R.S. 39:1225, as amended, to protect the funds of the Twelfth Judicial District Indigent Defender Fund. The Twelfth Judicial District Indigent Defender Fund does not have a formal written policy for custodial credit risk.

NOTE 3 - RECEIVABLES

The following is a summary of receivables at June 30, 2019:

Class of Receivable

Court Costs	<u>\$23,914</u>
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**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 4 – GENERAL FIXED ASSETS

The changes in general fixed assets for the twelve months ended June 30, 2019, are as follows:

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>
General Fixed Assets	\$5,785	<u>\$0</u>	<u>\$0</u>	\$5,785
Accumulated Depreciation	<u>(5,785)</u>	<u>0</u>	<u>0</u>	<u>(5,785)</u>
Net Fixed Assets	<u>\$0</u>			<u>\$0</u>

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the system. For this purpose, benefit payments (including refunds of any employee contributions) are recognized when due and payable in accordance with the benefit terms.

Plan Description. The Twelfth Judicial District Indigent Defender Fund contributes to the Parochial Employees' Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons servicing the parish and is administered by a separate Fund of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Fund are members of Plan A.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

All permanent employees of a parish who work at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System.

Retirement Benefits:

Any member of Plan A can retire providing he or she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- a. Any age with 30 years or more of creditable service.
- b. Age 55 with 25 years of creditable service.
- c. Age 60 with a minimum of 10 years of creditable service.
- d. Age 65 with a minimum of 7 years of creditable service

For employees hired after to January 1, 2007:

- a. Age 55 with 30 years of creditable service.
- b. Age 62 with a minimum of 10 years of creditable service.
- c. Age 67 with a minimum of 7 years of creditable service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of their final average compensation multiplied by his/her years of creditable service. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. According to state statute 11:1103, contributions for all employers are actuarially determined each year. For the year ended December 31, 2018, the actuarially determined contribution rate for Plan A was 9.99% of member's compensation. However, the actual rate for Plan A for the fiscal year ended December 31, 2018 was 11.5% of employee compensation. Under Plan A, members are required by state statute to contribute 9.35% of their annual covered salary.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 5 - PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Fund are established and may be amended by state statute.

The Fund's contributions to the System under Plan A for each of the years ended June 30, 2019, 2018, and 2017 were \$16,583, \$16,512, and \$17,888, respectively, equal to the required contributions for the year.

At June 30, 2019, the District reported a net pension liability of \$99,344 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, as actuarially determined. At December 31, 2018, the District's proportionate share was .022383%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the District recognized pension expense of \$16,583 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$12,968.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 5 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$94	\$6,052
Net difference between projected and actual earnings on pension plan investments	47,556	0
Changes in proportion and differences between:		
District contributions & proportionate share of contributions	8,671	221
District changes in assumptions	<u>32,799</u>	<u>568</u>
Total	<u><u>\$89,120</u></u>	<u><u>\$6,841</u></u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$22,791
2020	\$12,415
2021	\$10,191
2022	\$21,007

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 6 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expense, including inflation
Expected remaining service lives	4 years
Inflation rate	2.40%
Projected salary increases	4.75%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees
Mortality	Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale for annuitants and beneficiaries. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The long-term expected real rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 6 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The resulting expected long term rate of return was 7.43%. Best estimate of geometric real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	2%	0.11%
Totals	100%	5.43%
Inflation		2.00%
Expected arithmetic nominal return		7.43%

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 6 – PENSION PLAN DESCRIPTION AND BENEFITS (continued)

Sensitivity to Changes in Discount Rate: The following presents the net pension liability of the participating employers using the discount of 6.50%, as well as what the employers' net pension (asset) or liability would be if it were calculated using a discount rate that is one percent lower (5.50%) or one percent higher (7.50%), than the current rate:

	Changes in Discount Rate 2018		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	5.50%	6.50%	7.50%
Net Pension (Asset) Liability	<u>\$210,980</u>	<u>\$99,344</u>	<u>\$6,026</u>

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 6, 2019, which is the date of the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2019, that required recognition or disclosure in the financial statements.

NOTE 8 – ACT 706 – SCHEDULE OF COMPENSATION, REIMBURSEMENTS, AND OTHER PAYMENTS TO THE AGENCY HEAD

Under Act 706, the Public Defender's Office is required to disclose the compensation, reimbursements, benefits and other payments made to the agency head. The following is a schedule of payments made to the Chief Public Defender for the year ended June 30, 2019:

<u>Agency Head: Bradley Dauzat, Administrator/Chief Public Defender</u>	
Salary	\$70,000
Benefits – retirement	9,065
Telephone	<u>2,146</u>
Total	<u>\$81,211</u>

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
June 30, 2019**

NOTE 9 – GOVERNMENTAL FUND REVENUE AND EXPENDITURES

For the year ended June 30, 2019, the major sources of governmental fund revenues and expenditures were as follows:

REVENUES

State Government

Appropriations – Special	\$218,568	
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Local Government

Statutory fines, forfeitures, fees		
Court costs, and other	233,170	

Investments earnings

	<u>353</u>	
Total Revenues		<u>\$452,091</u>

EXPENDITURES

Personnel Services and Benefits

Salaries	144,200	
Retirement Contributions	16,583	
Insurance	2,841	
Payroll Taxes	<u>2,126</u>	
		158,867

Operating Costs

Contract Services – attorney	178,600	
Lease – office	7,800	
Utilities and telephone	7,481	
Other	<u>14,916</u>	
		<u>208,797</u>

Total Expenditures		<u>\$367,664</u>
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REQUIRED SUPPLEMENTARY INFORMATION

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND-GENERAL FUND
For the Year Ended June 30, 2019**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Court costs on fines & forfeitures	\$206,500	\$233,170	\$26,670
Intergovernmental Revenues:			
State Grant	206,662	218,568	11,906
Interest earnings	<u>200</u>	<u>353</u>	<u>153</u>
Total Revenues	<u>413,362</u>	<u>452,091</u>	<u>38,729</u>
 EXPENDITURES			
General government			
Salaries and related benefits	164,300	162,910	(232)
Contract attorneys	183,920	178,600	5,320
Legal and accounting	4,100	3,600	500
Insurance	8,284	2,841	5,443
Capital outlay	1,000	0	1,000
Other	<u>46,650</u>	<u>19,713</u>	<u>26,937</u>
Total Expenditures	<u>408,254</u>	<u>367,664</u>	<u>40,590</u>
 Excess (Deficiency) of Revenues Over Expenditures	 5,108	 84,427	 <u><u>\$79,319</u></u>
 Fund balance, beginning of year	 <u>106,473</u>	 <u>106,473</u>	
Fund balance, end of year	<u><u>\$111,581</u></u>	<u><u>\$190,900</u></u>	

See independent accountants' review report.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

Schedule of Employer's Share of Net Pension Liability

For the Year Ended June 30, 2019

Year Ended June 30,	Employer Proportion Of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2015	.024317%	\$6,648	\$137,600	4.84%	99.15%
2016	.023999%	\$63,172	\$137,600	45.91%	92.23%
2017	.023202%	\$47,785	\$137,600	28.41%	94.15%
2018	.022579%	\$(16,759)	\$137,600	-12.78%	101.98%
2019	.022383%	\$99,344	\$144,200	68.89%	91.93%

*The amounts presented have a measurement date of December 31st of the previous year

This schedule is intended to show information for 10 years. Additional years will be displayed as them become available.

See independent accountants' review report.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

Schedule of Employer Contributions

For the Year Ended June 30, 2019

Year Ended June 30,	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employers Covered Employee Payroll	Contribution as a % of Covered Employee Payroll
2015	\$20,984	\$20,984	\$ 0	\$137,600	15.25%
2016	\$18,404	\$18,404	\$ 0	\$137,600	13.75%
2017	\$17,544	\$17,544	\$ 0	\$137,600	12.75%
2018	\$17,888	\$17,888	\$ 0	\$137,600	13.00%
2019	\$16,583	\$16,583	\$ 0	\$144,200	11.50%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent accountants' review report.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
Marksville, Louisiana**

Notes to Required Supplementary Information

For the Year Ended June 30, 2019

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District Public Defender adopts the budget on behalf of the Fund before the start of the new fiscal year. Any changes in the budget must be within estimated revenues and reserves. Budgetary appropriations lapse at year end.

NOTE 2 – PENSION PLAN

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

OTHER INFORMATION

1

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Mr. Bradley E. Dauzat
Administrator
Twelfth Judicial District Indigent Defender Fund
Marksville, Louisiana 71351

We have performed the procedures enumerated below, which were agreed to by the management of The Twelfth Judicial District Indigent Defender Fund and the Legislative Auditor, State of Louisiana, (the specified parties), on the Fund's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Government Audit Guide*. The Commission's management is responsible for its financial records and compliance with applicable laws and regulations.

The sufficiency of these procedures is solely the responsibility of the specific parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purposes.

PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (RS) 39:1551-39:1755 (the state procurement code) or RS 38:2211-2296 (the public bid law), whichever is applicable, and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 and no expenditures were made for public works exceeding \$157,700.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain a list of the immediate family members of each Fund member as defined by LSA-RS 42:1101-1124 (the ethics law).

Management provided us with the list.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list including the noted information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3 above.

None of the employees included on the list of employees provided by management per item (3) appeared on the list provided by management per item (2).

5. Obtain a list of all disbursements made during the year and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the business of employees and employees' immediate families appeared as vendors on the list of disbursements.

BUDGETING

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget for the June 30, 2019 year. There were no budget amendments for the year ended June 30, 2019.

7. Trace the budget adoption and amendments to the minute book.

Due to the size of the office and legislative authority, there are no board members and therefore this question does not apply.

8. Compare the revenues and expenditures of the final budget to the actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

No revenues failed to meet 5% of the final budget and no expenditures exceeded 5% of the final budget amount.

ACCOUNTING AND REPORTING

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures..

All six of the payments were properly approved and signed.

MEETINGS

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meetings law) and report whether there are any exceptions.

Effective August 17, 2007, the revised Indigent Defender Act removed the board at the local Judicial District level. As a result there are no local public board meetings held in the Twelfth Judicial District for the Indigent Defender Fund.

DEBT

11. Obtain bank deposit slips for the fiscal year and scan bank slips in order to identify and report whether any deposits appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances or gifts

An inspection of the payroll records for the year noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

STATE AUDIT LAW

13. Report whether the agency provided for a timely report in accordance with RS 24:513

The Twelfth Judicial District Indigent Defender Fund provided for a timely report in accordance with RS 24:513.

14. Inquire of management and report whether the agency (1) entered into any contracts that utilized state funds as defined by RS39:72.1 A. (2); and that were subject to the public bid law (RS 38:2211, et seq), while the agency was not in compliance with RS 24:513 (the audit law)

The management of the Twelfth Judicial District Indigent Defender Fund represented that the Fund was in compliance with RS 24:513 (the audit law). Management further represented that the Fund did not enter into any contract that utilized state funds as defined in RS 39:72.1A.(2).

PRIOR COMMENTS AND RECOMMENDATIONS

15. Obtain and report management's representation as to whether any prior suggestions, exceptions, recommendations, and/or comments have been resolved.

Our prior year report, dated November 30, 2018, did not include any comment and/or unresolved matters.

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

This report is intended solely for the use of management of the Twelfth Judicial District Indigent Defender Fund and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 6, 2019

Avoyelles Indigent Defender Office
Twelfth Judicial District
State of Louisiana

P. O. Box 111

Marksville, Louisiana 71351

LOUISIANA ATTESTATION QUESTIONNAIRE

December 6, 2019

Ducote & Company
Certified Public Accountants
P. O. Box 309
Marksville, Louisiana 71351

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Government Audit Guide, we make the following representations to you.

These representations are based on the information available to us as of December 6, 2019.

PUBLIC BID LAW

It is true that we have complied with the public bid law, LSA-RS Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

BUDGETING

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-15) or the budget requirements of LSA-RS 39:1331-1432, where applicable.

Yes ☒ No ☐

ACCOUNTING AND REPORTING

All non-exempt government records are available as a public record and have been retained for at least three years, as requires by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514 and 33:463, as applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with LSA- RS 24:513.

Yes ☒ No ☐

We did not enter into any contracts that utilized state funds as defined in RS 39:72.1 A(2); and that were subject to the public bid law (RS 38:2211, et seq.), while the agency was not in compliance with RS 24:513 (the audit law).

Yes ☒ No ☐

We have complied with RS 24:513 A(3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐

MEETINGS

We have complied with the provisions of the Open Meetings Law, provided in RS 42:11 through 42:28.

Yes ☒ No ☐

DEBT

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60-1410.65.

Yes ☒ No ☐

ADVANCES AND BONUSES

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

PRIOR YEAR COMMENTS

We have resolved all prior year recommendations and/or comments.

Yes ☒ No ☐

GENERAL

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws.

Yes ☒ No ☐

We are evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐

We are disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes ☒ No ☐

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

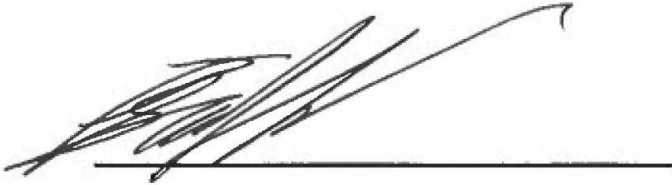
Yes ☒ No ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up tot the date of your report.

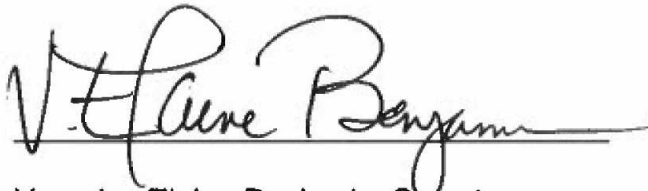
Yes ☒ No ☐

Ducote & Company
Page 4
December 6, 2019

The previous responses have been made to the best of our belief and knowledge.

A handwritten signature in black ink, appearing to read "Bradley P. Dauzat", written over a horizontal line.

Bradley P. Dauzat, Administrator

A handwritten signature in black ink, appearing to read "Veronica Elaine Benjamin", written over a horizontal line.

Veronica Elaine Benjamin, Secretary