

Fifth Judicial District Office of Public Defender
Parishes of West Carroll, Richland, and Franklin, Louisiana

Financial Statements
For the Year Ended June 30, 2019

Fifth Judicial District Office of Public Defender
 Financial Statements
 For the Year Ended June 30, 2019

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WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Fifth Judicial District Office of Public Defender
Parishes of West Carroll, Richland and Franklin, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Fifth Judicial District Office of Public Defender ("Office"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Office, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 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 the Office's basic financial statements. The schedule of of compensation, benefits and other payments to agency head is presented for the purpose 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. 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 management's discussion and analysis and budgetary comparison 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 a report dated May 27, 2020, on our consideration of the Office'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 the 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 Office's internal control over financial reporting and compliance.

Wade & Perry
Ruston, Louisiana
May 27, 2020

Fifth Judicial District Office of Public Defender
Management Discussion and Analysis
June 30, 2019

The management of the Fifth Judicial District Office of Public Defender (Office) offers readers of the Office's financial statements this narrative overview and analysis of the financial activities of the Office for the year ended June 30, 2019. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Office's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Office's finances. It is also intended to provide readers with an analysis of the Office's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Office. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Office's financial activity, identify changes in the Office's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Overview of the Financial Statements

This section is intended to serve as an introduction to the Office's financial statements. The Office's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Office's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the Office's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Office is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected fines).

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent twelve months, the Office's assets exceeded its liabilities by \$187,229 (net position); this represents an increase of \$95,841 from the last fiscal year. Of this total net asset amount, \$186,529 is unrestricted net position. The Fund's net position is comprised entirely from governmental activities.

The following is a condensed statement of the Fund's governmental-type activities net position as of June 30, 2019:

Fifth Judicial District Office of Public Defender
Management Discussion and Analysis
June 30, 2019

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|------------------|------------------|
| Assets | | |
| Current & Other Assets | \$192,435 | \$100,336 |
| Capital Assets (net) | 700 | 800 |
| Total Assets | <u>\$193,135</u> | <u>\$101,136</u> |
| Liabilities | | |
| Other Liabilities | \$5,906 | \$9,748 |
| Long-term Liabilities | 0 | 0 |
| Total Liabilities | <u>5,906</u> | <u>9,748</u> |
| Net Position | | |
| Invested in capital assets, net | 700 | 800 |
| Unrestricted | <u>186,529</u> | <u>90,588</u> |
| Total Net Position | <u>\$187,229</u> | <u>\$91,388</u> |

The Office has unrestricted net position of \$186,529, which may be used to meet the government's on-going obligations to citizens and creditors.

The Office had no long-term debt.

The following is a summary of the governmental-type activities from the statement of activities:

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------|------------------|------------------|
| Revenue | | |
| Program Revenue | \$591,220 | \$419,663 |
| General Revenue & Transfers | 21 | 16 |
| Total Revenue | <u>\$591,241</u> | <u>\$419,679</u> |
| Expenses | | |
| Judicial | \$344,436 | \$415,924 |
| General & Administrative | <u>150,964</u> | <u>87,762</u> |
| Total Expenses | <u>495,400</u> | <u>503,686</u> |
| Increase (Decrease) in Net Position | 95,841 | (84,007) |
| Net Position , beginning | <u>91,388</u> | <u>175,395</u> |
| Net Position , ending | <u>\$187,229</u> | <u>\$91,388</u> |

Total revenues increased \$171,562 from the prior year. Expenses decreased \$8,286 from the prior year.

Governmental Activities

The governmental activities of the Office include Judicial activities. Revenues associated with support for indigent defenders such as fees and grants are sufficient for the funding of these activities.

Business-type Activities

The fund has no business-type activities.

Fifth Judicial District Office of Public Defender
Management Discussion and Analysis
June 30, 2019

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the Office's most significant funds - not the Office as a whole. Funds are accounting devices that the Office uses to keep track of specific sources of funding and spending for a particular purpose.

The Office adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures.

Financial Analysis of the Fund's Governmental Funds

The Office's governmental fund (General Fund) reported an ending fund balance of \$186,529, which is an increase of \$95,941. The entire ending fund balance is unreserved.

General Fund Budgetary Highlights

The Fund amended the original General Fund budget during the course of the year.

The difference between the General Fund final budgeted revenues and actual revenues for the year ended June 30, 2019, totaled \$49,999, a positive variance. The budgeted expenditures were more than the final actual budgeted expenditures for the year ended June 30, 2019, by \$20,118, a positive variance.

Capital Asset and Debt Administration

The Fund has no debts related to capital assets or debt in the current year.

Current Financial Factors

The Fund is working diligently to gain more revenue while decreasing expenses.

Requests for Information

This financial report is designed to provide a general overview of the Fund's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Fifth Judicial District Office of Public Defender
PO Box 717
Rayville, LA 71269

Basic Financial Statements

Fifth Judicial District Office of Public Defender
Statement of Net Position
As of June 30, 2019

ASSETS

| | |
|----------------------|------------------|
| Cash and equivalents | \$159,759 |
| Receivables | 32,676 |
| Capital assets (net) | <u>700</u> |
| Total Assets | <u>\$193,135</u> |

LIABILITIES

| | |
|-------------------|----------|
| Accounts payable | \$5,906 |
| Prepaid Revenue | <u>0</u> |
| Total Liabilities | 5,906 |

NET POSITION

| | |
|----------------------------------|------------------|
| Net investment in capital assets | 700 |
| Unassigned | <u>186,529</u> |
| Total Net Position | <u>\$187,229</u> |

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Statement of Activities
For the Year Ended June 30, 2019

EXPENSES

| | |
|------------------------------|----------------|
| Personal services | \$150,964 |
| Operating expenses | 46,795 |
| Travel and training | 1,974 |
| Contract services - attorney | <u>295,667</u> |
| Total Expenses | 495,400 |

PROGRAM REVENUES

| | |
|--------------------------------------|----------------|
| Fees, fines and charges for services | 382,819 |
| State government - grants | <u>208,401</u> |
| Net Program Expense | 95,820 |

GENERAL REVENUES

| | |
|------------------------|-----------|
| Investment earnings | <u>21</u> |
| Total General Revenues | <u>21</u> |

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES

95,841

Net Position - Beginning

91,388

Net Position - Ending

\$187,229

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Balance Sheet, Governmental Fund
June 30, 2019

| | ASSETS | <u>General Fund</u> |
|--|--------|-------------------------|
| Cash and cash investments | | \$159,759 |
| Receivables | | 32,676 |
| Other assets | | <u>0</u> |
| TOTAL ASSETS | | <u>\$192,435</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts, salaries, and other payables | | <u>\$5,906</u> |
| Total liabilities | | <u>5,906</u> |
| Fund balance - unassigned | | <u>186,529</u> |
| TOTAL LIABILITIES AND FUND BALANCES | | <u>\$192,435</u> |

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
 Reconciliation of The Governmental Funds Balance Sheet
 to The Government-Wide Financial Statement of Net Position
 June 30, 2019

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

| | |
|---|-----------|
| Fund balances, Total governmental funds (Statement C) | \$186,529 |
|---|-----------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

| | | |
|---|-----------------|-------------------------|
| Governmental capital assets | 12,430 | |
| Less accumulated depreciation | <u>(11,730)</u> | <u>700</u> |
| Total Net Position of Governmental Activities (Statement A) | | <u><u>\$187,229</u></u> |

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2019

| | <u>General Fund</u> |
|---|-------------------------|
| REVENUES | |
| Fees, fines and charges for services | \$382,819 |
| State government - grants | 208,401 |
| Investment earnings | <u>21</u> |
| Total Revenues | 591,241 |
| EXPENDITURES | |
| Personal services | 150,964 |
| Operating expenses | 46,695 |
| Travel and training | 1,974 |
| Contract services - attorney | <u>295,667</u> |
| Total Expenditures | <u>495,300</u> |
| Excess (Deficiency) of Revenues over Expenditures | 95,941 |
| Fund Balances – beginning | 90,588 |
| Prior period adjustment | <u>0</u> |
| Fund Balances – ending | <u><u>\$186,529</u></u> |

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
 Reconciliation of The Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2019

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

| | |
|---|----------|
| Net Change in Fund Balances, Total governmental funds (Statement E) | \$95,941 |
|---|----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$0) exceeded depreciation (\$100) in the current period.

| | |
|--|-----------------|
| | <u>(100)</u> |
| Change in Net Position of Governmental Activities, Statement B | <u>\$95,841</u> |

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

INTRODUCTION

The Fifth Judicial District Office of Public Defender (The Office), established in compliance with Louisiana Revised Statutes 15:144-149, provides council to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district level. The judicial district encompasses the parishes of West Carroll, Richland and Franklin. House Bill No. 436, adopted in the 2007 Regular Legislative Session created Louisiana Public Defender Funds within each judicial district, transferring all obligations, duties, powers, and responsibilities from the previous boards. Revenues to finance the Office's operations are provided primarily from court costs on fines imposed by the various courts within the district. The Office has three employees, and has contracts with its other attorneys to provide legal services to indigents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Fifth Judicial District Office of Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The office of public defender is part of the operations of the Louisiana Public Defender Board. The accompanying financial statements present information only on the funds maintained by the Fifth Judicial District Office of Public Defender.

C. FUND ACCOUNTING

The Fifth Judicial District Office of Public Defender 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 relating to certain board functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Office'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 Office. The following are the Office's governmental funds:

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

General fund - the primary operating fund of the Office 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 Office policy.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances report 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 Office operations.

The amounts reflected in the General Fund 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. Office considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court costs on fines and forfeitures are recorded in the year they are collected by the appropriate courts. Fees from indigents are recorded when received. Interest income is recorded in the year in which it is earned.

Expenditures

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Office as a whole. These statements include all the financial activities of the Office. Information contained in these columns reflect 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).

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

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 Statement of Activities are derived directly from Office users as a fee for services; program revenues reduce the cost of the function to be financed from the Office's general revenues.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Office may deposit funds in demand deposits, interest-bearing demand 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.

F. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Office's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 requires the Office to report investments at fair value in the balance sheet, except as follows:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.
2. The Office may report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

G. COMPENSATED ABSENCES

The Office does not have a formal leave policy.

H. 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

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

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.

I. FUND EQUITY

GASB 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Nonspendable - amounts that are not in spendable form (such as prepaids) or are required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

When both restricted and unrestricted resources are available for use, it is the Office's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Office maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives: Equipment 5-10 years

K. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

2. CASH AND CASH EQUIVALENTS

At June 30, 2019, the Office has cash and cash equivalents (book balances) totaling \$159,759 as follows:

| | |
|----------------------------------|------------------|
| Interest-bearing demand deposits | \$159,759 |
| Time deposits - investments | <u>0</u> |
| Total | <u>\$159,759</u> |

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 the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the Office had \$160,399 in deposits (collected bank balances). These deposits are secured from risk by \$160,399 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, 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 Office that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables of \$32,676 at June 30, 2019, are as follows:

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

| | |
|----------------------------|-----------------|
| <u>Class of Receivable</u> | |
| Court costs on fines | \$32,415 |
| Miscellaneous | <u>261</u> |
| Total | <u>\$32,676</u> |

4. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$5,906 at June 30, 2019, consisted of accounts payable of \$4,679 and payroll liabilities of \$1,227.

5. CAPITAL ASSETS

Capital assets and depreciation activity for the year ended June 30, 2019, is as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Machinery and equipment | \$12,430 | | | \$12,430 |
| Accumulated depreciation | <u>11,630</u> | <u>\$100</u> | | <u>11,730</u> |
| Total capital assets being depreciated, net | <u>\$800</u> | <u>(\$100)</u> | <u>\$0</u> | <u>\$700</u> |

6. RISK MANAGEMENT

The Fifth Judicial District Office of Public Defender may have various suits which are brought against the practicing attorneys who are retained to plead the indigent cases before the Fifth Judicial District Court. Insurance which is necessary for the protection of the individual attorneys is purchased and paid by each attorney. Whereas no District funds are being expended for professional liability coverage, the District Defender maintains at his personal expense a 1 million-dollar policy for protection of the District and Board and each contract attorney is required to by the terms of their contract to maintain professional liability coverage.

7. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

REVENUES

| | |
|--|-----------|
| State government - grants | \$208,401 |
| Local government - statutory fines, forfeitures, fees, and court costs | 382,819 |
| Investment earnings | <u>21</u> |
| Total Revenues | 591,241 |

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2019

EXPENDITURES

| | |
|--------------------------------|----------------|
| Personnel services & benefits: | |
| Salaries | 139,753 |
| Payroll taxes | 11,211 |
| Operating costs: | |
| Contract services - attorney | 295,667 |
| Travel | 1,974 |
| Insurance | 2,477 |
| Lease - office | 11,000 |
| Utilities | 7,118 |
| Other | <u>26,100</u> |
| Total Expenditures | <u>495,300</u> |

8. MANAGEMENT REVIEW

Subsequent events have been evaluated through May 27, 2020. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Fifth Judicial District Office of Public Defender
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> GAAP Basis | Variance |
|--|-------------------------|------------------|-------------------------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | Favorable (Unfavorable) |
| REVENUES | | | | |
| State government | | | | |
| Appropriations - general | 199,535 | 200,985 | 208,401 | 7,416 |
| Local government | | | | |
| Court fees | 260,225 | 330,400 | 328,718 | (1,682) |
| Bond fees and forfeitures | 19,800 | 9,850 | 54,101 | 44,251 |
| Investment earnings | <u>7</u> | <u>7</u> | <u>21</u> | <u>14</u> |
| Total Revenues | <u>479,567</u> | <u>541,242</u> | <u>591,241</u> | <u>49,999</u> |
| EXPENDITURES | | | | |
| Personnel services | 193,409 | 135,825 | 150,964 | (15,139) |
| Travel & training | 2,400 | 2,400 | 1,974 | 426 |
| Operating expenses | 67,568 | 62,193 | 46,695 | 15,498 |
| Contract services - attorney | <u>306,000</u> | <u>315,000</u> | <u>295,667</u> | <u>19,333</u> |
| Total Expenditures | <u>569,377</u> | <u>515,418</u> | <u>495,300</u> | <u>20,118</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | (89,810) | 25,824 | 95,941 | 70,117 |
| Fund Balance at Beginning of Year | <u>98,664</u> | <u>98,664</u> | <u>90,588</u> | <u>(8,076)</u> |
| Fund Balance at End of Year | <u>\$8,854</u> | <u>\$124,488</u> | <u>\$186,529</u> | <u>\$62,041</u> |

The accompanying notes are an integral part of the schedule.

Fifth Judicial District Office of Public Defender
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2019

Schedule 2

Agency Head Name: John Ellis, Chief

| | |
|----------------|----------|
| Purpose | |
| Salary | \$82,500 |
| Reimbursements | 757 |
| Travel | 714 |

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Report on Compliance and Other Matters and on Internal Control
over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Fifth Judicial District Office of Public Defender
Rayville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Fifth Judicial District Office of Public Defender ("Office") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated May 27, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be significant deficiencies. 2019-1

Compliance and Other Matters

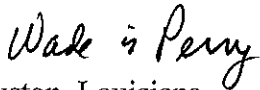
As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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*.

Office's Response to Findings

Office's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. 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 result 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.



Ruston, Louisiana

May 27, 2020

Fifth Judicial District Office of Public Defender
Schedule of Findings and Responses
For the Year Ended June 30, 2019

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Fifth Judicial District Office of the Public Defender.
2. One instance of noncompliance material to the financial statements of the Fifth Judicial District Office of the Public Defender was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings

2019-1. Failing to file financial statements pursuant to R.S. 24:513B.(3)

Condition: The District's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of December 31, 2019.

Criteria: State law requires audited financial statements of governments to be submitted within six months of year end.

Cause: Management did not provide all necessary information in time for the external auditor to complete the audit by its due date.

Effect: Material noncompliance relating to the financial statements.

Recommendation: Management should have financial records completed in a timely manner.

Fifth Judicial District Office of Public Defender
Summary of Prior Year Findings
For the Year Ended June 30, 2019

2018-1. Internal control deficiency for disbursements

Status: Resolved

2018-2. Budget violation

Status: Resolved

FIFTH JUDICIAL DISTRICT OFFICE OF THE PUBLIC DEFENDER
PO Box 717
Rayville, LA 71269

Management Corrective Action Plan

Fifth Judicial District Office of the Public Defender hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 2019-1. The District will have its financial records completed in a timely manner and engage with the auditor within a reasonable time to allow for a timely audit.

WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Chief of the Fifth Judicial District of Office of the Public Defender and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Fifth Judicial District of Office of the Public Defender (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

¹ For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization's operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics²**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and address the functions noted above. The Entity is not in compliance with payroll/personnel.

Board or Finance Committee³

Not applicable

² The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁴ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Obtained a listing of bank accounts for the fiscal period and management's representation that the listing is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions.

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

A third party performs the bank reconciliations.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions.

Collections (excluding EFTs)⁵

No prior year exceptions

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management's representation that the listing is complete.

⁴ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁵ The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

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

Obtained a listing of all employees involved with non-payroll purchasing and payments functions. A third party performs all non-payroll processing. Observed that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions

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

No prior year exceptions.

Travel and Travel-Related Expense Reimbursements⁶ (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained a list of all travel related expense reimbursements and management's representation that the list is complete.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Not applicable.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Observed supporting documentation for 3 of the 5 reimbursements for business/public purpose.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observed 4 of the 5 reimbursements were reviewed and approved by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained a listing of all contracts/agreements, management's representation that the listing is complete, selected 5 contracts for testing, and:

⁶ Non-travel reimbursements are not required to be tested under this category.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law⁷ (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Not applicable.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and management's representation that the listing is complete. Selected all 5 employees for testing and agreed paid salaries to authorized pay rate documentation provided by management.

Due to Covid-19, personnel files were not able to be physically observed but management was able to provide the authorized statements of employee pay rates for 4 of the 5 employees. The 1 employee who did not have an authorized statement of pay rate was employed prior to current management's arrival. The authorized pay rate for this employee was provided by the third-party accountants who handle all of the entity's payroll functions.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Management could not provide attendance and leave records for the pay period selected.

⁷ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Management could not provide attendance and leave records for the pay period selected.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Management could not provide attendance and leave records for the pay period selected.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Obtained a listing of employees who received termination payments during the period and management's representation that the listing is complete. Obtained related documentation of the hours and pay rates used in management's calculation, agreed the pay rates to the authorized pay rates for both employees, but could not agree the hours to the employees' cumulative leave records.

One of the terminated employees was not with the entity long enough to accumulate any leave hours and management could not provide the cumulative leave records for the other employee.

- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Obtained management's representation that the above listed taxes, contributions, and premiums had been paid and associated forms had been filed, by required deadlines.

*Ethics*⁸

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above⁹, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Observed documentation that 1 of 5 employees completed the one hour of ethics training during the fiscal year. Management provided prior year ethics training documentation for 3 of the 5 employees. The last employee was only employed for 3 months and did not take the ethics during that time.

⁸ The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the procedures should be performed.

⁹ If "payroll and personnel" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for payroll and personnel.

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

Did not observe documentation through signature verification that each employee/official verified that he or she had read ethics policy.

*Debt Service*¹⁰

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Management represented there were no bonds/notes issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Management represented there were no bonds/notes outstanding at the end of the fiscal period.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Obtained a statement from management that there were not any misappropriations of funds during the fiscal year.

24. Observe that the entity has posted on its premises¹¹ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹²

Management asserted that the entity has the applicable notice posted on its premises.

¹⁰ This AUP category is generally not applicable to non-profit entities; however, if applicable, the procedures should be performed.

¹¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

¹² This notice is available for download or print at www.lja.la.gov/hotline.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Ruston, LA

May 27, 2020

FIFTH JUDICIAL DISTRICT OFFICE OF THE PUBLIC DEFENDER
PO Box 717
Rayville, LA 71269

May 27, 2020

Wade & Perry, CPAs
Ruston, LA

The following is Management's Response to the 2019 AUP report submitted for Fifth Judicial District Office of the Public Defender.

WRITTEN POLICIES AND PROCEDURES

1. e) Payroll/personnel - Management will work toward documenting this policy.

TRAVEL AND RELATED REIMBURSEMENTS

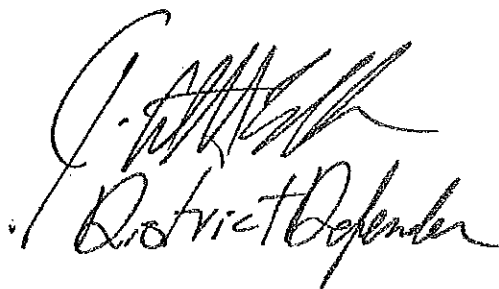
14. c) Management will work toward documenting business purpose for all transactions.
- d) Management will work toward documenting approval by someone other than the person receiving reimbursement.

PAYROLL/PERSONNEL

16. Management will work toward maintaining employee files and updating with current data.
17. a) Management will work toward maintaining attendance and leave records.
 - b) Management will work toward maintaining attendance and leave records.
 - c) Management will work toward maintaining attendance and leave records.
18. Management will work toward maintaining attendance and leave records.

ETHICS

20. a) Management will work toward having all employees completing and documenting ethics training.
- b) Management will work toward having all employees document this.



J. M. Smith
District Defender