

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE**
St. John the Baptist Parish, Louisiana

Annual Financial Statements and
Independent Auditor's Report

As of and for the Year Ended
June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the District Public Defender
Fortieth Judicial District Public Defenders Office
La Place, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Fortieth Judicial District Public Defenders Office (the "Public Defender") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Public Defender'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Fortieth Judicial District Public Defenders 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 on pages 5 through 9 and 30 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fortieth Judicial District Public Defenders Office's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head or chief executive officer is the responsibility of management and was derived from and directly related to the underlying accounting and other records used to prepare the financial statements. Such information has been subject 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 statement themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued a report dated October 30, 2019, on my consideration of the Fortieth Judicial District Public Defenders Office's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Fortieth Judicial District Public Defender's internal control over financial reporting and compliance.



Keith M. Rivere
Certified Public Accountant
October 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2019

The Management's Discussion and Analysis (MD&A) of the Fortieth Judicial District Public Defenders Office's financial performance presents a narrative overview and analysis of the Public Defender's financial activities for the year ended June 30, 2019. Please read this document in conjunction with the additional information contained in the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Public Defender's total net position decreased by \$118,343 or 23 percent over the course of the year's operations.
- Revenues decreased by \$243,726 or 24 percent to \$789,051 while expenses for the year increased by 13 percent or approximately \$103,521.
- The general fund reported a fund balance of \$396,416, a decrease from June 30, 2018 of 23 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The minimum requirements for financial reporting on the Fortieth Judicial District Public Defenders Office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the district as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the district from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the district's overall financial status.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2019

- (2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the district allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements are dependent on the fund type. The district's main governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of June 30, 2019 and 2018

	<u>6/30/19</u>	<u>6/30/18</u>
Current and other assets	\$426,671	\$548,402
Capital assets	<u>5,373</u>	<u>4,706</u>
Total Assets	<u>432,044</u>	<u>553,108</u>
Deferred Outflows of Resources	<u>-0-</u>	<u>-0-</u>
Current liabilities	30,255	32,976
Long-term liabilities	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>30,255</u>	<u>32,976</u>
Deferred Inflows of Resources	<u>-0-</u>	<u>-0-</u>
Net Position:		
Invested in capital assets, net of debt	5,373	4,706
Unrestricted	396,416	515,426
Restricted	-0-	-0-
Total Net Position	<u>=\$401,789</u>	<u>=\$520,132</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2019

The district's net position decreased by \$118,343 or 23%, from the prior year primarily due to a decrease in court cost revenue and state revenue during the last fiscal year.

The public defender's office does not have any "restricted" net position. The district does have "unrestricted" net position, and those are net position that do not have any limitations on what these amounts may be used for.

Statement of Activities
For the years ended June 30, 2019 and 2018

	<u>6/30/19</u>	<u>6/30/18</u>
Revenues		
Statutory fines, forfeitures, and court cost	\$594,536	\$742,283
Intergovernmental	40,746	68,563
Charges for services	31,485	27,573
Interest	5,050	615
Miscellaneous	-0-	-0-
State Revenue	117,234	193,743
	-----	-----
	\$789,051	\$1,032,777
	=====	=====
Expenditures		
Personnel	829,906	715,904
Other Operating	77,488	87,969
	-----	-----
	907,394	803,873
	-----	-----
Net Changes in Net Position	\$(118,343)	\$228,904
	=====	=====

During the fiscal year total revenues decreased by \$243,726 or 23%. The total cost of all expenditures increased by \$103,521, or 13%. The decrease in total revenue is primarily due to a decrease in court cost revenue and state revenue.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management’s Discussion and Analysis
As of and for the year ended June 30, 2019

CAPITAL ASSETS

At June 30, 2019, the Public Defender has invested \$5,373 in capital assets.

<u>Capital Assets</u>	<u>Governmental Activities</u>	
	<u>6/30/19</u>	<u>6/30/18</u>
Equipment & Furniture	\$32,029	\$29,419
Accumulated Depreciation	<u>(26,656)</u>	<u>(24,713)</u>
Net Capital Assets	<u>\$ 5,373</u>	<u>\$ 4,706</u>

USING THIS ANNUAL REPORT

This annual report consists of a report on the general financial highlighted statements (above), a general report on the entity performance as a whole, and an activities statement on contributing factors affecting the Public Defender’s past and future financial conditions. Other supporting financial statements and comments are enclosed as components to the annual audit as presented by the auditing agent.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 75 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the District’s workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the District’s legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney’s use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E. ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2018.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

However, in fiscal year ending June 30, 2019, the sheriff either ceased participation in the L.A.C.E. program or reduced participation drastically. The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

CONTACTING THE BOARD'S MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the district's finances, and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Richard B. Stricks, District Public Defender of the Fortieth Judicial District Public Defenders Office, 425 West Airline Highway, Suite D, La Place, Louisiana, or telephone, 985-651-6677 (extension 6682).

BASIC FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
Governmental Funds Balance Sheet/Statement of Net Position

June 30, 2019

	General Fund	Other Funds	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$44,408	\$0	\$44,408	\$0	\$44,408
Certificates of Deposit	334,488		334,488		334,488
Receivables	45,725	0	45,725	0	45,725
Inventories					
Other Assets	2,050	0	2,050	0	2,050
Capital assets, net of accumulated depreciation (Note C)				5,373	5,373
Total Assets	\$426,671	\$	\$426,671	\$5,373	\$432,044
DEFERRED OUTFLOWS OF RESOURCES					
	0	0	0	0	0
LIABILITIES					
Liabilities:					
Cash overdraft	\$	\$	\$	\$	\$
Accounts payable	30,255		30,255	0	30,255
Payroll Tax Payable	-		-		-
Garnishment Payable	-		-		-
Escrow Payable			-		-
Long-term liabilities					
Due within one year					
Due after one year					
Total Liabilities	\$30,255		\$30,255		\$30,255
DEFERRED INFLOWS OF RESOURCES					
	0	0	0	0	0
FUND BALANCES/NET POSITION					
Fund balances:					
Reserved for inventories					
Unassigned, reported in:					
General Fund	396,416		396,416	(396,416)	-
Other Funds					
Total Fund Balances	396,416		396,416	(396,416)	-
Total Liabilities and Fund Balances	\$ 426,671		\$ 426,671	\$ (396,416)	\$ 30,255
NET POSITION					
Invested in Capital Assets, Net of Related Debt Restricted				5,373	5,373
Unrestricted				396,416	396,416
Total Net Position				\$ 401,789	\$ 401,789
					\$ -

The accompanying notes are an integral part of this statement.

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUNDS

Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended June 30, 2019

	General Fund	Other Funds	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Public Defender:					
Salaries	\$418,310		\$418,310		\$418,310
Payroll Taxes	35,336		35,336		35,336
Hospitalization and Disability Insurance	24,635		24,635		24,635
Parking/Auto Tolls	14		14		14
Travel/Lodging/Per Diem/Mileage	9,538		9,538		9,538
Advertisements	7		7		7
Workers' Compensation	1,162		1,162		1,162
Malpractic Insurance	7,400		7,400		7,400
Auto/Physical Liability Insurance	1,542		1,542		1,542
Building Lease/Rent	26,525		26,525		26,525
Equipment Lease/Rent	3,293		3,293		3,293
Office Repairs and Maintenance	2,903		2,903		2,903
Telephone/Utilities/Postage/Internet	10,341		10,341		10,341
Dues and Seminars	4,184		4,184		4,184
Law Library/Journals/Subscriptions	2,255		2,255		2,255
Office Supplies	4,315		4,315		4,315
Audit/Accounting Expense	8,150		8,150		8,150
Contract-Clerical	4,257		4,257		4,257
Investigators	5,684		5,684		5,684
Conflict	3,315		3,315		3,315
Contract-Juvenile Attorneys	56,400		56,400		56,400
Contract Attorneys-all others	272,657		272,657		272,657
IT/Technical Support	1,055		1,055		1,055
Capital Outlay	2,610		2,610	(2,610)	-
Other Operating Expense	2,173		2,173		2,173
Expert Witness					-
Depreciation				1,943	1,943
Total Expenditures/Expenses	908,061	-	908,061	(667)	907,394
PROGRAM REVENUES					
Charges for services	31,485		31,485		31,485
Statutory fines, forfeitures, fees and court costs	594,536		594,536		594,536
Other charges	40,746		40,746		40,746
Net Program Expense (Revenue)	241,294	-	241,294	(667)	240,627
GENERAL REVENUES					
State revenue	117,234		117,234		117,234
Local grants	-		-		-
Investment earnings	5,050		5,050		5,050
Miscellaneous	-		-		-
Total General Revenues	122,284	-	122,284	-	122,284
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION					
	(119,010)	-	(119,010)	667	(118,343)
FUND BALANCE/NET POSITION:					
Beginning of the Year	515,426		515,426	4,706	520,132
End of Year	\$ 396,416	\$ -	\$ 396,416	\$ 5,373	\$ 401,789

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

INTRODUCTION

The Fortieth Judicial District Public Defenders Office (the Public Defender) was established in compliance with Louisiana Revised Statutes 15:141-149 and modified by Act 307 implemented August 15, 2007. The purpose of the Public Defender is to provide adequate legal representation of indigent persons charged with commission of criminal offenses and abuse or neglect of children. The Public Defender encompasses the parish of St. John the Baptist, which is located in the State of Louisiana. The Public Defender is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. The Louisiana Public Defender Board governs the Louisiana Public Defender Office. Revenues to finance the Public Defender's operations are provided primarily from court costs imposed by the various courts within the District and State Revenues received through distributions from the Louisiana Public Defender Office.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying basic financial statements of the Fortieth Judicial District Public Defenders Office 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 and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

2. Reporting Entity

For the financial reporting purposes, in conformance with GASB Codification Section 2100, the Public Defenders Office is part of the district court system of the State of Louisiana. However, the state statues that created the districts also gave each of the District Defenders control over their own operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Louisiana Public Defender Board is financially independent and operates autonomously from the State of Louisiana and is independent from the district court system. Therefore, the Public Defenders Office reports as a reporting entity, not as a component unit and the general purpose financial statements include only the transactions of the Fortieth Judicial District Public Defenders Office.

3. Fund Accounting

The Public Defender Office 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 Public Defender functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts. The fund of the Public Defender is classified as governmental.

Governmental Funds

Governmental funds account for all of the Public Defender'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 Public Defender. The following is the Public Defender's governmental fund:

General Fund - the primary operating fund of the Public Defender 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 it is expended or transferred in accordance with state and federal laws and according to Public Defender policy.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Measurement Focus/Basis of Accounting
Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, 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 the Public Defender's operations.

The amounts reflected in the General Fund and Other Funds, 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 Public Defender 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:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues (court fines) are susceptible to accrual.

Expenditures:

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Public Defender as a whole. These statements include all the financial activities of the Public Defender. Information contained in these columns 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 (Statement B) are derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed directly from the Public Defender's general revenues.

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Position (Statement A) are as follows:

Net Change in Fund Balance-Governmental Funds		\$(119,010)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
In the current year:		
Expenditures for Capital assets	\$2,610	
Less current depreciation expense	<u>(1,943)</u>	<u>667</u>
Change in Net position of governmental activities		<u>\$(118,343)</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgets and Budgetary Accounting

The Public Defender's office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the Public Defender prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budget is made available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on the cash basis of accounting.
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the fiscal year.
5. All annual appropriations lapse at year-end.

The following is a reconciliation of the excess of revenues over expenditures on Schedule I (budget comparison) with the excess of revenues over expenditures on Statement B for the General Fund:

	<u>General Fund</u>
Excess (Deficiency) of receipts over disbursements – Schedule 1	\$(99,139)
Add:	
+ Receivables at June 30, 2019	45,725
+ Liabilities at June 30, 2018	28,465
Less:	
- Receivables at June 30, 2018	(64,657)
- Liabilities at June 30, 2019	<u>(29,404)</u>
Excess (Deficiency) of revenues over expenditures – Statement B	\$ (119,010) =====

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Encumbrances

The Public Defender does not use encumbrance accounting.

7. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. The Public Defender considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Under state law, the Public Defender may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

8. Court Cost Receivables

Receivables include amounts which were due to be received by June 30, 2019, but were not actually received until after June 30, 2019. Collection is assured for receivables for court costs and forfeitures and bail bond fees; these fees are recognized as revenue when earned.

9. 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. The Public Defender maintains a threshold level of \$300 or more for capitalizing capital assets.

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, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, fixtures and equipment	5 years

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Annual and Sick Leave

The Public Defender Office has an annual leave policy for allowing both full time and part time employees. For full time employees (40 hours per week), the vacation policy is after one (1) year of full time service, each employee is entitled to ten days off as paid vacation. After ten (10) years of full time service, each employee is entitled to twenty (20) days off as paid vacation. Vacation days have no cash value. At the time of termination of employment, whether voluntary or involuntary, the departing employee will not be paid any money as compensation for the accumulated unused vacation days. There is only one full time employee in the Public Defender Office.

Sick leave policy allows one day per month sick leave for full-time, permanent employees. Employees may carryover and accumulate up to sixty sick days. Sick days have no cash value. At the time of termination of employment, whether voluntary or involuntary, the departing employee will not be paid any money as compensation for the accumulated unused “sick days.”

For part time employees, for each calendar year paid (annual) leave is accrued at variable rates and depends on the number of hours worked per week. Leave for part time employees range from four (4) hours per month to eight (8) hours per month and must be taken or lost by December 31. Annual leave is undifferentiated between sick leave and vacation. Paid leave has no cash value. At the time of termination of employment, whether voluntary or involuntary, the departing employee will not be paid any money as compensation for the accumulated unused leave.

There are no paid leave provisions for contractors who are denied pay when they miss scheduled court appearances for any reason, including handling a case in their private practice, illness, or vacation.

11. 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.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year end, the Public Defender did not have any borrowings that were related to capital assets.
- b. Restricted net position – Consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt,” or deferred outflows of resources, liabilities, and deferred inflows of resources.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental fund equity is classified as fund balance. The Public Defender has adopted GASB Statement 54 for the year ended June 30, 2019. As such, fund balance of the governmental fund is classified as follows:

Non-spendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the Public Defenders office or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Public Defender.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

Assigned- represents balances that are constrained by the Public Defender's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned- represents balances for which there are no constraints.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Public Defender reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Public Defender reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

NOTE B – CASH

At June 30, 2019, the Public Defender had cash (book balances) as follows:

	Current Unrestricted
Demand deposit	\$ 44,408
Time deposits	<u>334,488</u>
Total	<u>\$378,896</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 district had \$382,235 in deposits (collected bank balances). These deposits were secured from risk by \$297,747 of federal deposit insurance and \$84,488 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Custodial Credit Risk-Is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the bank balance was exposed to custodial credit risk.

Interest Rate Risk-The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE C – CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Furniture, Fixtures, Equipment & Computers	\$29,419	\$2,610	\$ (-0-)	\$32,029
Less: Accumulated Depreciation	24,713	1,943	(-0-)	26,656
Net Capital Assets	\$ 4,706	\$ 667	\$ (-0-)	\$5,373

For the year ended June 30, 2019, depreciation expense was \$1,943.

NOTE D – PENSION PLAN

The Fortieth Judicial District Public Defenders Office does not have a pension plan or any other retirement plan for their employees.

NOTE E – OTHER POSTEMPLOYMENT BENEFITS

The Fortieth Judicial District Public Defenders Office does not provide any other post-employment benefits.

NOTE F – LEASES AND COMMITMENTS

The Public Defender leases office space under a (5) five year operating lease, which expire January 30, 2023. The monthly rent is \$2,050. In addition, the Public Defender entered into an agreement to lease a copier under a five year operating lease, which expires September 14, 2021. The rental payment is \$227.19 per month plus an additional cost per copy/image. The Public Defender also rents storage space under a one year operating lease which expires March 12, 2020. The total rent for the year was paid in total by June 30, 2019. The Public Defender has no other capital or operating leases open at June 30, 2019. For the year ended June 30, 2019, rent expense for office space and equipment totaled \$29,818.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

The minimum annual commitments under non-cancelable operating leases are as follows:

Fiscal Year	<u>Equipment</u>	<u>Office Space</u>
2020	\$2,726	\$24,600
2021	2,726	24,600
2022	455	24,600
2023	-0-	14,350
2024	-0-	-0-
	-----	-----
Total	\$ 5,907	\$ 88,150

NOTE G – LITIGATION AND CLAIMS

The Pubic Defender is not involved in any litigation and is not aware of any claims outstanding that require disclosure in the accompanying financial statements.

NOTE H – CONCENTRATIONS

The majority of revenue earned by the district comes from the Parish of St John the Baptist in the form of bail bond fees, forfeitures, and court cost. The principal funding source consists of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the Public Defenders Office workload or expenses. External factors such as reduction in enforcement activities, convictions, and assessment of court cost could result in a reduction in revenue.

NOTE I – ECONOMIC FACTORS

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 75 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the District's workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the District's legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney's use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E. ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2018.

However, in fiscal year ending June 30, 2019, the sheriff either ceased participation in the L.A.C.E. program or reduced participation drastically. The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

NOTE J – HEALTH CARE AND LIFE INSURANCE BENEFITS

Beginning in January, 2018, all employees of the 40th Judicial District Public Defender Office working 30 hours per week or more were offered coverage on a Group Policy of Health Insurance. The District pays for one half of the monthly premium for each employee only. Coverage for family members is not paid for by the District. The employee pays for the other half through a payroll deduction. There is a 90 day waiting period after commencing employment to be eligible for this benefit.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, October 30, 2019, and determined that there was no event that require disclosure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

NOTE L – RISK MANAGEMENT

The Public Defenders Office is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defenders Office has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the year that exceeded the Public Defenders Office's coverage.

The Public Defenders Office's management has not purchased commercial insurance or made provisions to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE M - GOVERNMENTAL FUND REVENUES 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 - general	\$117,234	
Appropriations - special		
Revenue sharing		
Grants		
On-behalf payments		
Other		
Total		\$117,234

Local Government

Appropriations - general		
Appropriations - special		
Grants		
Statutory fines, forfeitures, fees, court costs, and other	\$594,536	
Taxes - millages, sales, special, and other	-	
Criminal court fund		
On-behalf payments		
Condition of Probation	40,746	
Total		\$635,282

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

Federal Government

Grants - direct

Grants - indirect (passed-through state)

Total

Other Grants and Contributions

Non-profit organizations

Private organizations

Corporate

Other

Total

Charges for Services

\$31,485

Investment earnings

\$5,050

Miscellaneous

\$0

Total Revenues

\$789,051

Expenditures:

Personnel Services and Benefits

Salaries

\$418,310

On-behalf payments - salaries

Retirement contributions

On-behalf payments - retirement

Insurance

25,797

On-behalf payments - insurance

Payroll taxes

35,336

Other

Total

\$479,443

Professional Development

Dues, licenses, and registrations

4,184

Travel

3,382

Other

Total

7,566

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2019

Operating Costs

Library and research	2,255	
Contract services - attorney/legal	332,372	
Contract services - other	18,091	
Lease - office	26,525	
Lease - autos and other	3,293	
Travel - transportation	6,156	
Travel - other		
Insurance	8,942	
Supplies	4,315	
Repairs and maintenance	2,903	
Utilities and telephone	10,341	
Other	3,249	
Total		418,442

Debt Service

Capital outlay		<u>\$2,610</u>
Total Expenditures		<u>\$ 908,061</u>

NOTE N - NEW ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2013, the district has adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets has been renamed the Statement of Net Position, and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

REQUIRED SUPPLEMENTAL INFORMATION

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(Cash Basis) and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts Cash Basis	Budget to GAAP Differences Over(Under)	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Charges for services	\$ 15,180	\$ 32,082	\$ 31,961	\$ (597)	\$ 31,485
Statutory fines, forfeitures, fees and court costs	694,416	611,975	613,042	(17,439)	594,536
Other charges	45,000	41,662	40,596	(916)	40,746
State revenue	115,134	117,234	117,234	-	117,234
Local grants	-	-	-	-	-
Investment earnings	516	5,149	5,149	(99)	5,050
Miscellaneous	-	-	-	-	-
Total revenues	870,246	808,102	807,982	(19,051)	789,051
EXPENDITURES					
Salaries	405,352	418,310	418,310	-	418,310
Payroll Taxes	31,009	31,403	34,931	3,933	35,336
Hospitalization and Disability Insurance	10,800	24,634	24,634	1	24,635
Parking/Auto Tolls	60	14	14	-	14
Travel/Lodging/Per Diem/Mileage	10,440	10,569	10,569	(1,031)	9,538
Advertisements	240	256	256	(249)	7
Workers' Compensation	3,600	1,162	1,162	-	1,162
Malpractice Insurance	6,000	7,400	7,400	-	7,400
Auto/Physical Liability Insurance	2,400	1,542	1,542	-	1,542
Building Lease/Rent	26,470	26,525	26,525	-	26,525
Equipment Lease/Rent	4,200	3,293	3,293	-	3,293
Office Repairs and Maintenance	5,700	2,887	2,887	16	2,903
Telephone/Utilities/Postage/Internet	11,160	10,389	10,388	(46)	10,341
Dues and Seminars	8,170	4,184	4,184	-	4,184
Law Library/Journals/Subscriptions	1,200	2,255	2,255	-	2,255
Office Supplies	4,800	4,358	4,358	(43)	4,315
Audit/Accounting Expense	7,700	8,150	8,150	-	8,150
Contract-Clerical	1,200	3,644	3,644	613	4,257
Investigators	12,000	5,869	5,869	(185)	5,684
Conflict	6,000	2,257	2,257	1,058	3,315
Contract-Juvenile Attorneys	54,600	56,100	56,100	300	56,400
Contract Attorneys-all others	291,600	271,135	271,134	1,522	272,657
IT/Technical Support	2,700	1,094	1,094	(39)	1,055
Capital Outlay	1,800	3,992	3,992	(1,382)	2,610
Other Operating Expense	3,120	2,173	2,173	-	2,173
Expert Witness	6,000	-	-	-	-
Depreciation	-	-	-	-	-
Total Expenditures/Expenses	918,321	903,595	907,121	4,466	908,061
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(48,075)	(95,493)	(99,139)	(23,517)	(119,010)
OTHER FINANCING SOURCES (Uses)					
Total other financing sources (uses)					
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(48,075)	(95,493)	(99,139)	(23,517)	(119,010)
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	479,234	479,234	479,234	36,192	515,426
FUND BALANCE (Deficit) AT END OF YEAR	\$ 431,159	\$ 383,741	\$ 380,095	\$ 12,675	\$ 396,416
EXPLANATION OF DIFFERENCES:					
(1) Receivables at 6/30/18				64,657	
(2) Payables at 6/30/18				(28,465)	
Net increase in fund balance--budget to GAAP				<u>36,192</u>	

Schedule 2

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2019

Agency Head Name: Richard B. Stricks, District Public Defender

<u>Purpose</u>	<u>Amount</u>
Salary	95,000.00
Benefits - Insurance	
Benefits - Retirement	
Benefits - Other	
Benefits - Payroll Taxes	7,128.00
Car Allowance	
Vehicle provided by government	
Per diem	
Dues	214.00
Travel/Auto Mileage	2,056.00
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

The accompanying notes are an integral part of this statement.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

KEITH M. RIVERE, CPA

**75 Dominican Drive
Suite 206
LaPlace, LA 70068
(985) 652-6029**

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

To the District Public Defender
Fortieth Judicial District
Public Defenders Office
La Place, Louisiana

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

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fortieth Judicial District Public Defenders Office's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fortieth Judicial District Public Defenders Office's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fortieth Judicial District Public Defender'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.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, identified as findings 19-1(IC) and 19-2(IC), that I consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Public Defenders Office's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Fortieth Judicial District Public Defenders Office's Response to Findings

The Public Defender's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. The Public Defender's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with the enclosed Independent Auditor's Report in considering the entity's internal control and compliance. According, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Keith M. Rivere
Certified Public Accountant
October 30, 2019

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana

Summary Schedule of Current and Prior Year Audit Findings and Responses
For The Year Ended June 30, 2019

Ref. No	Fiscal Year Finding Initially Occurred	Description of findings	Corrective Action Taken	Responses	Name of Contact Person	Anticipated Completion Date
Current Year (6/30/19)						
Internal Control						
19-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Richard Stricks	N/A
19-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Richard Stricks	N/A
Prior Year (6/30/18)						
Internal Control						
18-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Richard Stricks	N/A
18-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Richard Stricks	N/A

AGREED-UPON PROCEDURES

KEITH M. RIVERE, CPA

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Suite 206
LaPlace, LA 70068
(985) 652-6029**

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the District Public Defender
Fortieth Judicial District Public Defenders Office
La Place, Louisiana 70068

I have performed the procedures described in Schedule 2, which were agreed to by the Fortieth Judicial District Public Defender 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 Association of International Certified Professional 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, I 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 described in Schedule 2.

I am 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Keith M. Rivere
Certified Public Accountant
October 30, 2019

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDERS OFFICE
Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2019

The required procedures and my findings are as follows:

Procedures performed on the District's written policies and procedures:

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exception: There were no exceptions noted.
Management's response: Not applicable.
 - 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.
Performance: Obtained and read the written policy for purchasing and found it to address the elements listed above.
Exception: There were no exceptions noted.
Management's response: Not applicable
 - c) ***Disbursements***, including processing, reviewing, and approving
Performance: Obtained and read the written policy for disbursement and found it to address all the functions listed above.
Exception: There were no exceptions noted.
Management's response: Not applicable
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of 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).

Performance: Obtained and read the written policy for receipts, and found it to address all the functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- 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

Performance: Obtained and read the written policy for contracting and found it to address all functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- 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)

Performance: Obtained and read the written policy for credit cards, and found it to address all functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the written policy for travel and expense reimbursements, and found it to address all functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Performance: Obtained and read the written policy for ethics, and found it to address all functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Performance: Obtained and read the written policy for debt services, and found it to address all functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

- 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.

Performance: Obtained and read the written policy for disaster recovery and business continuity, and found it to address all functions listed above.

Exception: There were no exceptions noted.

Management's response: Not applicable

Procedures performed on the State Public Defender board:

2. Obtain and review the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Obtained and read the board/committee minutes.

Exception: The local District Public Defender does not have a local board or committee. The Louisiana Public Defender, who governs the districts, does have a board and committees. However, the LPD board did not meet monthly. In addition, the minutes do not reference individual district's budgets.

Management's Response: Not applicable.

Procedures performed on the District's bank reconciliations:

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter. Selected month of June from the fiscal period, and obtained the corresponding bank statement and reconciliation for the District's main operating account. There was only one bank account with 2 Certificate of Deposits.

Exception: There were no exceptions noted.

Management's response: Not applicable.

- 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):

Performance: Observed that bank reconciliations were prepared within 2 months of the related statement closing date.

Exception: There were no exceptions noted.

Management's response: Not applicable.

- b) Bank reconciliations include evidence that a member of management or a 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

Performance: Observed that a member of management reviewed each bank reconciliation.

Exception: There is no evidence that a local member of management with no involvement in the transactions associated with the bank account has reviewed each bank reconciliation. However, an employee with the Louisiana Public Defender Office did review each bank reconciliation as part of the monthly financial report filed on the Louisiana Public Defender database system.

Management's response: Not applicable

- 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.

Performance: Inspected documents for items outstanding for more than 12 months from the statement closing date, if applicable.

Exception: There were 7 outstanding checks in the main operating account for more than 12 months from the statement closing date.

Management's response: Management will request the bookkeeper to locate the payees and if unable, will send a replacement check to the State Treasurer under the unclaimed funds program. A replacement check will be written if original was lost.

Procedures performed on the District's collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select 5 deposit sites (or all deposit sites if less than 5).

Performance: Observed the listing of deposit sites from management, and received management's representation in a separate letter. The District has one deposit sites (the local Public Defender Office). No cash (currency) is collected.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Select one collection location for each deposit site (i.e. collection locations for 5 deposit sites), obtain and inspect written policies and procedures related to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter. The District has one deposit site with two collection locations.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

- a) Employees that are responsible for collections do not share cash drawers/registers.
Performance: Inspected policy manuals and inquired of management and observed employees do not share cash drawers/registers. No cash (currency) is collected. Employees that open the mail and collect checks and money orders are bonded. There is no cash register or drawer.
Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
Performance: Inspected policy manuals and inquired of management and observed employees collecting cash are not responsible for making deposits.
Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
Performance: Inspected policy manuals and inquired of management and observed employees collecting cash not making general ledger postings.
Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
Performance: Inspected policy manuals and inquired of management and observed employees performing reconciliations do not collect cash.
Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.
Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)¹. Chose a sample size of 6 since only one bank account. Obtain supporting documentation for each of the 6 deposits and:

a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the 6 selected deposits and observed that receipts were sequentially pre-numbered.

Exception: There were no exceptions noted.

Management’s response: Not applicable.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exception: There were no exceptions noted.

Management’s response: Not applicable.

c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

Management’s response: Not applicable.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Performance: Observed that the deposit was made within one business day of receipt.

Exception: All six transactions were deposited within one day of collection

Management’s response: Not applicable..

e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

Management’s Response: Not applicable.

Procedures performed on the District's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments):

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).

Performance: Obtained the listing of location that process payments, and received management's representation in a separate letter. The District only has one location that processes payments.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions, and received management's representation in a separate letter.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exception: Management does not use a documented purchase order system. The District Public Defender initiates the purchase. When the invoice is received, the DPD approves the invoice. DPD gives approved invoice to bookkeeper, who writes the check and records in Quickbooks. Two signatures for approval are required. District Public Defender and Assistant Public Defender signs the check and all electronic payments are approved electronically by both.

Management's Response: It is not cost effective to institute a Purchase Order system.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above. While the Accountant processes payments and has access to add vendors to the disbursement system, vendors are not added unless approved by the District Public Defender.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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.

Performance: Inspected policy manuals and inquired of management duties of mailing signed checks.

Exceptions: There were no exceptions noted.

Management's response: Not applicable..

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:

Performance: Obtained the District's general ledger for the fiscal period, and verified management's representation that the population of disbursement checks are complete in a separate letter.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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

Performance: Selected a random sample of 25 checks and observed that the checks and the related original invoices/billing statements were in agreement.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

Exceptions: Due to the small number of employees, the District does not have adequate segregation of functions within the accounting system.

Management's Response: It is not cost effective to have adequate segregation of duties.

Procedures performed on the District's credit card, debit cards, fuel cards, p-cards:

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter. The District has an Office Depot and Regions Bank credit card, which are kept in the District Public Defender's possession. Use of debit cards and fuel cards are prohibited.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

- 12. Using the listing prepared by management, select 5 cards (or all cards if less than 5) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Obtained May's statement for the two cards selected along with supporting documentation and observed for proper approval.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Obtained May's statement for the two cards selected and observed for finance charges and/or late fees.

Exception: There were no exceptions noted.

Management's response: Not applicable.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Performance: Traced each transaction to an original itemized receipt, observed supporting documentation for evidence of business/public purpose, and documentation of the individuals participating in meals (for meal charges only)

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

Procedures performed on the District's travel and expense reimbursements:

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

Procedures performed on the District's contracts:

14. 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. Select 5 contracts (or all contracts if less than 5) from the listing, and:

Performance: Obtained a list of contracts initiated or renewed during the fiscal period and received management's representation in a separate letter. Selected 5 contracts from the list provided by management.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law² (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Inspected the written contracts to determine if contracts were subject to Louisiana Public Bid Law. These contracts were for professional services and not subject to Louisiana Public Bid Law..

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

- 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).

Performance: Inspected the board meeting minutes for approval of contracts. Contracts are not required to be approved by the board.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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

Performance: Inspected contract to determine if the contract was amended.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

- 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.

Performance: Inspected the invoice and compared to the written contract information and observed that the invoice and related payment agreed to terms and conditions of the contract.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

Procedures performed on the District's payroll and personnel:

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

Procedures performed on the District's ethics:

15. Using the five randomly selected employees/officials from "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

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

Performance: Observed the ethics course completion certificates for all (5) employees tested. Five out of the five employees had ethics course completion certificates and completed one hour of ethics training during the fiscal period.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

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.

Performance: Observed 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.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

Procedures performed on the District's debt services:

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

Other procedures performed on the District:

16. 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.

Performance: Inquired of management and reviewed various audit documentation for any signs of misappropriations of public funds or assets.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.

17. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted on the premises and website.

Prior year testing resulted in no exception. Therefore this procedure was not required in the current year.