

ANNUAL FINANCIAL REPORT OF THE
TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
 <u>BASIC FINANCIAL STATEMENTS</u>	
<u>Government-wide Financial Statements (GWFS)</u>	
Statement of Net Position	4
Statement of Activities	5
 <u>Fund Financial Statements</u>	
Balance Sheet-Governmental Fund	6
Reconciliation of the Governmental Fund's Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in the Fund Balance of the Governmental Fund to the Statement of Activities	9
 Notes to Financial Statements	 10-18
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – Revenues and Expenditures -- General Fund	 19
 <u>OTHER SUPPLEMENTARY INFORMATION</u>	
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	 20
 <u>RELATED REPORTS</u>	
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 <u>Government Auditing Standards</u>	 21-22
Schedule of Findings and Responses	23-24
Schedule of Prior Year Findings	25
Independent Accountant's Report on Applying Agreed-Upon Procedures	26-34
Management's Response to Statewide Agreed-Upon Procedures Exceptions	35

James L. Nicholson, Jr., CPA
G. Kenneth Pavy, II, CPA
Michael A. Roy, CPA
Lisa Trouille Manuel, CPA
Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
www.jsdc-cpas.com

Van L. Auld, CPA

1

John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005
Chizal S. Fontenot, CPA
1955-2012

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

INDEPENDENT AUDITOR'S REPORT

To the Indigent Public Defender
Twenty-Seventh Judicial District
Indigent Defender Fund
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twenty-Seventh Judicial District Indigent Defender Fund as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Twenty-Seventh Judicial District Indigent Defender Fund'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.

P. O. Box 1549
4766 I-49 North Service Road
Opelousas, Louisiana 70570
Phone: 337-948-4848
Fax: 337-948-6109

112 Fountain Bend Dr.
Lafayette, LA 70506
Phone: 337-984-9717
Fax: 337-984-5544

To the Indigent Public Defender
Twenty-Seventh Judicial District
Indigent Defender Fund
Opelousas, Louisiana
Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Twenty-Seventh Judicial District Indigent Defender Fund, as of June 30, 2019, and the respective changes in financial position thereof 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 budgetary comparison schedule on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Twenty-Seventh Judicial District Indigent Defender Fund's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 20 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 on page 20 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 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 Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Indigent Public Defender
Twenty-Seventh Judicial District
Indigent Defender Fund
Opelousas, Louisiana
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2019, on our consideration of Twenty-Seventh Judicial District Indigent Defender Fund'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Twenty-Seventh Judicial District Indigent Defender Fund's 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 Twenty-Seventh Judicial District Indigent Defender Fund's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 5, 2019 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

John S. Dowling & Company
Opelousas, Louisiana
November 5, 2019

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 194,658
Cash restricted for various grants	83,235
Revenue receivable – court costs	44,375
Capital assets (net)	<u>2,270</u>
<u>Total assets</u>	<u>324,538</u>
<u>LIABILITIES</u>	
Accounts payable	4,549
Other accrued liabilities	<u>559</u>
<u>Total liabilities</u>	<u>5,108</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,270
Restricted for various grants	83,235
Unrestricted	<u>233,925</u>
<u>Total net position</u>	<u><u>319,430</u></u>

The accompanying notes are an integral part of this statement

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<u>Governmental Activities</u>				
General government	<u>\$ 1,013,549</u>	<u>\$ 556,305</u>	<u>\$ 494,839</u>	<u>\$ 37,595</u>
<u>Total governmental activities</u>	<u>1,013,549</u>	<u>556,305</u>	<u>494,839</u>	<u>37,595</u>
General Revenues				
				<u>8,120</u>
				<u>8,120</u>
				<u>45,715</u>
				<u>273,715</u>
				<u>319,430</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2019

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 194,658
Cash restricted for various grants	83,235
Revenue receivable - court costs	44,375
<u>Total assets</u>	322,268
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts payable	\$ 4,549
Other accrued liabilities	559
<u>Total liabilities</u>	5,108
<u>FUND BALANCE</u>	
Fund balance	
Restricted	83,235
Unassigned	233,925
<u>Total fund balance</u>	317,160
<u>Total liabilities and fund balance</u>	322,268

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balance for the governmental fund at June 30, 2019		\$ 317,160
Cost of capital assets at June 30, 2019	\$ 10,743	
Less: Accumulated depreciation as of June 30, 2019	<u>(8,473)</u>	<u>2,270</u>
Net position at June 30, 2019		<u><u>319,430</u></u>

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Fines	
Court Cost	
Judicial district courts	\$ 329,324
City courts	94,215
Condition of probation	4,702
Criminal bond fee	63,024
Indigent defense application fee	65,040
Child in need of care	15,478
District assistance fund	475,183
Supplemental Emergency Funds	4,178
Interest	8,120
<u>Total revenues</u>	<u>1,059,264</u>
<u>EXPENDITURES</u>	
General government - judicial	
Current	
Retained indigent defenders	840,164
Salaries	119,025
Payroll taxes	10,318
Witness fees	1,350
Legal notices	89
Insurance	446
Accounting	9,609
Telephone	12,966
Office supplies	1,926
Bank charges, check printing	2,075
IT/Technical support	2,096
Law library, journals and subscriptions	12,782
Other	180
<u>Total expenditures</u>	<u>1,013,026</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	46,238
<u>FUND BALANCE</u> , beginning of year	<u>270,922</u>
<u>FUND BALANCE</u> , end of year	<u>317,160</u>

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN THE FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Total net change in the fund balance for the year ended June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 46,238
Depreciation expense	<u>\$ (523)</u>	<u>(523)</u>
<u>Total change in net position for the year ended June 30, 2019 per Statement of Activities</u>		<u>45,715</u>

The accompanying notes are an integral part of this statement.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the Twenty-Seventh Judicial District Indigent Defender Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices of the Twenty-Seventh Judicial District Indigent Defender Fund.

A. FINANCIAL REPORTING ENTITY

For financial reporting purposes, the Twenty-Seventh Judicial District Indigent Defender Fund is a part of the district court system of the State of Louisiana. However, the state statutes that create the district boards also give each of the boards control over all their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Twenty-Seventh Judicial District Indigent Defender Fund is financially independent and operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the Board reports as an independent reporting entity and the financial statements include only the transactions of the Twenty-Seventh Judicial District Indigent Defender Fund.

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the Twenty-Seventh Judicial District Indigent Defender Fund. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Fund Financial Statements. The Twenty-Seventh Judicial District Indigent Defender Fund uses funds to report on its financial position and the results of its operations. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The fund presented in the financial statements is described as follows:

Governmental Fund

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The fund financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. REVENUES, EXPENDITURES, AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities.

Court costs, restitution, and bail bond fees are recorded in the month collected by the appropriate collection authority.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for the governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character

In the fund financial statements, governmental funds report expenditures of financial resources.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Under state law the Twenty-Seventh Judicial District Indigent Defender Fund may deposit funds with any bank located within the state and organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Twenty-Seventh Judicial District Indigent Defender Fund may invest in time deposits or certificates of deposit of those banks.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Twenty-Seventh Judicial District Indigent Defender Fund's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the Twenty-Seventh Judicial District Indigent Defender Fund or the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2019, the carrying amount of the Twenty-Seventh Judicial District Indigent Defender Fund's cash was \$277,893. The collected bank balance of cash was \$251,772 for the year ended June 30, 2019. At June 30, 2019, these deposits were secured from risk by \$250,000 of FDIC insurance and \$1,772 was covered by securities held by pledging financial institutions in the Twenty-Seventh Judicial District Indigent Defender Fund's name. The Twenty-Seventh Judicial District Indigent Defender Fund does not have a policy for custodial credit risk.

F. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balance for the governmental activities includes court costs.

In the fund financial statements, material receivables in governmental funds include revenue accruals for court costs since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

G. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the General Fund, are recorded at cost and depreciation is computed under the straight-line method. The service lives by type of asset are as follows:

Equipment	7-10 years
Furniture	7-10 years

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. BUDGETS AND BUDGETARY ACCOUNTING

As required by state law, the Twenty-Seventh Judicial District Indigent Defender Fund adopted a budget for its General Fund. The budgetary practices included public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption.

Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Twenty-Seventh Judicial District Indigent Defender Fund. All budget amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget was adopted and amended on a basis consistent with generally accepted accounting principles (GAAP).

I. PENSION PLAN AND LEAVE POLICIES

The Twenty-Seventh Judicial District Indigent Defender Fund has no pension plan or leave policies.

J. ENCUMBRANCES

The Twenty-Seventh Judicial District Indigent Defender Fund does not employ the encumbrance system of accounting.

K. COMPENSATED ABSENCES

The Twenty-Seventh Judicial District Indigent Defender Fund does not provide for accumulated vacation or sick leave.

L. EQUITY CLASSIFICATIONS

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

1. Net investment in capital assets - 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consist of net position with constraints 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.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. EQUITY CLASSIFICATIONS (Continued)

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.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances. Those committed amounts cannot be used *for any other purpose unless the governing authority removes the specified use by taking the same type of action imposing the commitment.* This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the Twenty-Seventh Judicial District Indigent Defender Fund's "intent" to be used for specific purposes but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Twenty-Seventh Judicial District Indigent Defender Fund considers restricted funds to have been spent first. When both restricted and unrestricted resources are available for use, it is the Twenty-Seventh Judicial District Indigent Defender Fund's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

M. 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.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended June 30, 2019, for the Twenty-Seventh Judicial District Indigent Defender Fund are as follows:

	Balances July 1, 2018	Additions	Disposals	Balances June 30, 2019
Governmental activities				
Equipment	\$ 9,870	\$ -	\$ -	\$ 9,870
Furniture and fixtures	873	-	-	873
<u>Totals at historical cost</u>	<u>10,743</u>	<u>-</u>	<u>-</u>	<u>10,743</u>
Less accumulated depreciation				
Equipment	(7,075)	(523)	-	(7,598)
Furniture and fixtures	(875)	-	-	(875)
<u>Total accumulated depreciation</u>	<u>(7,950)</u>	<u>(523)</u>	<u>-</u>	<u>(8,473)</u>
Governmental Activities				
Capital assets, net	<u>2,793</u>	<u>(523)</u>	<u>-</u>	<u>2,270</u>

Depreciation expense was charged to governmental activities as follows:

 General Government \$523

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - GOVERNMENTAL FUND REVENUES/EXPENDITURES

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

	2019
Revenues:	
State Government	
Appropriations - general	\$ 494,839
<u>Total</u>	494,839
Local Government	
Statutory fines, forfeitures, fees, court cost, and other	556,305
<u>Total</u>	556,305
Investment Earnings	8,120
<u>Total revenues</u>	1,059,264
Expenditures:	
Personnel Services Benefits	
Salaries	\$ 119,025
Payroll taxes	10,318
<u>Total</u>	129,343
Operating Cost	
Library and research	12,782
Contract services - retained attorney/legal	840,164
Contracted services - other	1,350
Insurance	446
Legal notices	89
Accounting	9,609
Supplies	4,181
Utilities and telephone	15,062
<u>Total</u>	883,683
Debt Service	-
Capital outlay	-
<u>Total expenditures</u>	1,013,026

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Twenty-Seventh Judicial District Indigent Defender Fund does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 75, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

NOTE 5 - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in the aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to the balance classification and fund.

Fund Balance:	
Nonspendable	\$ -
Restricted	
For various grants	83,235
Committed	-
Assigned	-
Unassigned	<u>233,925</u>
<u>Total fund balance</u>	<u><u>317,160</u></u>

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 5, 2019, which is the date the financial statements were available to be issued. As of November 5, 2019, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Court Cost				
Judicial district courts	\$ 385,000	\$ 339,094	\$ 329,324	\$ (9,770)
City courts	80,000	84,647	94,215	9,568
Condition of probation	7,500	4,208	4,702	494
Criminal bond fees	55,000	58,218	63,024	4,806
Indigent defense application fee	62,000	65,080	65,040	(40)
Child in need of care	15,478	15,478	15,478	-
District assistance fund	466,395	466,399	475,183	8,784
Supplemental Emergency Funds	-	4,178	4,178	-
Interest	1,500	8,066	8,120	54
<u>Total revenues</u>	<u>1,072,873</u>	<u>1,045,368</u>	<u>1,059,264</u>	<u>13,896</u>
<u>EXPENDITURES</u>				
General government - judicial				
Current				
Retained, indigent defenders	870,000	840,193	840,164	29
Dues and seminars - library	2,500	60	-	60
Salaries	115,000	118,754	119,025	(271)
Payroll taxes	10,000	10,368	10,318	50
Witness fees	7,000	-	1,350	(1,350)
Legal notices	-	-	89	(89)
Insurance	500	487	446	41
Investigators	1,500	-	-	-
Accounting	12,000	10,684	9,609	1,075
Telephone	14,000	12,611	12,966	(355)
Office supplies	2,500	2,002	1,926	76
Bank charges	-	2,072	2,075	(3)
IT/Technical support	-	-	2,096	(2,096)
Law library, journals and subscriptions	13,000	13,642	12,782	860
Other	1,150	290	180	110
<u>Total expenditures</u>	<u>1,049,150</u>	<u>1,011,163</u>	<u>1,013,026</u>	<u>(1,863)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>23,723</u>	<u>34,205</u>	46,238	<u>12,033</u>
<u>FUND BALANCE, beginning of year</u>			<u>270,922</u>	
<u>FUND BALANCE, end of year</u>			<u>317,160</u>	

See Independent Auditor's Report

OTHER SUPPLEMENTARY INFORMATION

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2019

Agency Head Name: Ed Lopez, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 95,124
Benefits-insurance	0
Benefits-retirement	0
Benefits	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

See Independent Auditor's Report.

RELATED REPORTS

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

Van L. Auld, CPA

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

**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 Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Twenty-Seventh Judicial District Indigent Defender Fund, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Twenty-Seventh Judicial District Indigent Defender Fund's basic financial statements, and have issued our report thereon dated November 5, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Twenty-Seventh Judicial District Indigent Defender Fund'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 Twenty-Seventh Judicial District Indigent Defender Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Seventh Judicial District Indigent Defender Fund'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 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 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency listed as item 2019-1.

P. O. Box 1549
 4766 I-49 North Service Road
 Opelousas, Louisiana 70570
 Phone: 337-948-4848
 Fax: 337-948-6109

112 Fountain Bend Dr.
 Lafayette, LA 70506
 Phone: 337-984-9717
 Fax: 337-984-5544

To the Indigent Public Defender
Twenty-Seventh Judicial District
Indigent Defender Fund
Opelousas, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Twenty-Seventh Judicial District Indigent Defender Fund'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Twenty-Seventh Judicial District Indigent Defender Fund's Response to Findings

The Twenty-Seventh Judicial District Indigent Defender Fund's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Twenty-Seventh Judicial District Indigent Defender Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

John S. Dowling & Company

Opelousas, Louisiana
November 5, 2019

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. We have audited the basic financial statements of the Twenty-Seventh Judicial District Indigent Defender Fund as of and for the year ended June 30, 2019, and have issued our report thereon dated November 5, 2019. 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 and the provisions of the Uniform Guidance. Our audit of the financial statements as of June 30, 2019 resulted in an unmodified opinion.
2. One significant deficiency and no material weaknesses relating to the audit of the financial statements were reported in the 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.
3. No instances of noncompliance relating to the audit of the financial statements were reported in the 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.
4. No management letter was issued for the Twenty-Seventh Judicial District Indigent Defender Fund as of and for the year ended June 30, 2019.
5. There was no single audit required under the Uniform Guidance.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Internal Control Material to the Financial Statements

2019-1 Inadequate Segregation of Duties within the Accounting System

Condition: Due to the small number of employees, the Twenty-Seventh Judicial District Indigent Defender Fund did not have adequate segregation of functions within the accounting system.

Criteria: Proper internal controls dictate that the duties be segregated so that no one individual performs or controls all duties related to the accounting system.

Cause: There are a small number of employees at the Twenty-Seventh Judicial District Indigent Defender Fund performing the daily operating activities.

Effect: Without adequate segregation of duties and oversight, errors or fraud could occur and not be detected, increasing the loss or theft of assets.

Recommendation: The Twenty-Seventh Judicial District Indigent Defender Fund should ensure that no single individual controls all facets of the accounting system and that adequate supervision is implemented. Separating incompatible duties and performing supervisory review is significant in reducing risk.

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

Internal Control Material to the Financial Statements (Continued)

2019-1 Inadequate Segregation of Duties within the Accounting System (Continued)

Response: Segregation of duties within the accounting system is not economically feasible in an office as small as ours. We have three clerical employees, two of which are assigned data processing task. Only one employee handles the money, and is closely supervised by the District Defender personally. Monies received from the State are deposited directly into the operating account. Monies received from the Courts are received through the mail which is usually opened by the District Defender and reviewed before being given to Office Manager/Bookkeeper for deposit. All monies paid out are done so by check. Only the District Defender can sign on the account. All deposits and expenditures are promptly reported to our independent CPA. Our office provides the summary of our monthly financial report to the State by the 15th. No cash is ever kept. Processing fees (\$40.00 per case) are paid by money order.

Contact person: Ed Lopez

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2018-1 Inadequate Segregation of Duties within the Accounting System

Repeat comment.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

N/A

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

Van L. Auld, CPA

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Opelousas, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Twenty-Seventh Judicial District Indigent Defender Fund 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 Twenty-Seventh Judicial District Indigent Defender Fund'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):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
The Indigent Defender Fund does not have written policies and procedures for budgeting.
 - 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.
The Indigent Defender Fund does not have written policies and procedures for purchasing.
 - c) **Disbursements**, including processing, reviewing, and approving
The Indigent Defender Fund does not have written policies and procedures for disbursements.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the 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).
The Indigent Defender Fund does not have written policies and procedures for receipts.

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 2

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

The Indigent Defender Fund does not have written policies and procedures for payroll.

- 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

The Indigent Defender Fund does not have written policies and procedures for contracting.

- 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)

The Indigent Defender Fund does not credit cards, debit cards, fuel cards or P-cards, and therefore, no written policies and procedures.

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

The Indigent Defender Fund does not have written policies and procedures for travel and expense reimbursement. The Louisiana State Employees Guide to Travel Regulations guidelines are used for travel and expense reimbursements.

- 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.

The Indigent Defender Fund does not have written policies and procedures for ethics.

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

The Indigent Defender Fund does not have written policies and procedures for debt service.

- 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.

The Indigent Defender Fund does not have written policies and procedures for disaster recovery/business continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee 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/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 3

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, 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.

The Indigent Defender Fund does not have a board or finance committee. This section is not applicable.

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 accounts (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:

The Indigent Defender Fund has only one bank account, which is the main operating account per management. Also, obtained 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);

The bank reconciliation included an electronic date and time of when the reconciliation was prepared, and it was within 2 months of the statement closing date.

- 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

There is no evidence that the District Defender has reviewed the bank reconciliation, however, there is evidence on the bank statement that it was reviewed by the District Defender.

- 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.

There were no uncleared/outstanding items on the reconciliation for more than 12 months from the statement closing date.

Collections (excluding EFTs)

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

The Indigent Defender Fund only has one deposit site. Also, obtained management's representation that the listing is complete.

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 4

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating 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:

The Indigent Defender Fund only has one collection location. Also, obtained management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Collections consist of checks and money orders and are kept in one cash drawer.

- 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.

The office manager/bookkeeper is responsible for collecting checks and money orders, preparing the deposit slips and reconciling collection documentation to the deposit.

- 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.

The office manager/bookkeeper codes all of the deposits and an outside CPA firm posts the collection entries to the general ledger.

- 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.

The office manager/bookkeeper is responsible for reconciling collections to the general ledger and responsible for collecting checks and money orders.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All employees who have access to checks and money orders (cash is not collected) are bonded.

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). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

Randomly selected 2 deposit dates for the Indigent Defender Fund's only bank account.

- a) Observe that receipts are sequentially pre-numbered.

Money orders collected are recorded and sequentially pre-numbered in a receipt book. Checks received from the Sheriff's Department are not recorded in a receipt book and do not have a sequentially pre-numbered receipt.

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

Of the 2 deposits selected, no exceptions were noted.

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 5

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

Of the 2 deposits selected, no exceptions were noted.

- 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).

Of the 2 deposits selected, checks received from the Sheriff's Department were not stamped with a received date; therefore, we were unable to determine whether the deposit was made within one business day of receipt.

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

Of the 2 deposits selected, no exceptions were noted.

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).

There is only one location in the office that processes payments. Also, obtained management's representation that the listing is complete.

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:

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

The office manager/bookkeeper is involved initiating a purchase and making the purchase, while the District Defender is involved in approving all purchases before payments are submitted.

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

The office manager/bookkeeper processes payments to vendors and the District Defender approves payments to vendors.

- 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.

The office manager/bookkeeper is responsible for processing payments and is not prohibited from adding/modifying vendor files.

- 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.

The office manager/bookkeeper is responsible for processing payments and also mails the payments once the checks are signed by the District Defender.

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:

The year-to-date non-payroll disbursement transaction population was obtained, along with management's representation that the population is complete.

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 6

- a) Observe that the disbursement matched the related original invoice/billing statement.
Of the 5 disbursements selected, all matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
For the 5 disbursements selected, disbursement documentation did not include evidence of segregation of duties (the District Defender's approval).

Credit Cards/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) for the fiscal period, 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.
12. Using the listing prepared by management, randomly select 5 cards (or all card if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.
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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Indigent Defender Fund does not have credit cards, debit cards, fuel cards or P-cards.

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

14. Obtain from management a listing of all travel and 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:
- 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).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- 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).

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 7

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

The Indigent Defender Fund did not issue any travel or travel-related expense reimbursements during the fiscal period.

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:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - 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).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - 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.

The Indigent Defender Fund did not initiate or renew any agreements/contracts during the fiscal period.

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.

The Indigent Defender Fund has 4 employees; 2 are on salary and 2 are part-time. A pay rate structure is used for part-time employees. All compensation paid to each employee during the fiscal year was made in accordance with the employee's salary or pay rate structure.

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.)

Attendance records are only kept for part-time employees, not salary employees. Daily attendance was documented for all part-time employees. Leave records are maintained for the only employee that accrues vacation and sick.
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

The office manager approved the attendance of part-time employees.

To the Indigent Public Defender
 Twenty-Seventh Judicial District
 Indigent Defender Fund
 Page 8

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

Leave records were maintained for the one employee that accrues vacation and sick.

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.

No employees received termination payments during the fiscal period.

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.

The employer and employee portions of payroll taxes have been paid and the associated forms have been filed by the required deadlines. The Indigent Defender Fund does not have a retirement plan, health insurance or workers' compensation.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.

Of the 4 employees, all completed ethics training during the fiscal period.

- 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.

The Indigent Defender Fund does not have an ethics policy.

Debt Service

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.

The Indigent Defender Fund did not incur debt 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.

The Indigent Defender Fund did not have debt outstanding at the end of the fiscal period.

To the Indigent Public Defender
Twenty-Seventh Judicial District
Indigent Defender Fund
Page 9

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.

Per management, there were no misappropriations of public funds or assets during the fiscal period.

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

The notice required by R.S. 24:523.1 is posted in the waiting room of the Indigent Defender's office. The Indigent Defender does not have a website.

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.

John S. Dowling & Company

Opelousas, Louisiana
November 5, 2019

TWENTY-SEVENTH JUDICIAL DISTRICT
INDIGENT DEFENDER FUND
OPELOUSAS, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019

Management's Response to Statewide Agreed-Upon Procedures Exceptions
For the Year Ending June 30, 2019

Written Policies and Procedures

1a-k. The District plans to develop written policies and procedures in the future. Due to the limited number of staff and resources, this will be a long-term project.

Bank Reconciliations

3b. The District Defender will start signing off on bank reconciliations after being reviewed.

Collections

5b & d. In an office as small as ours, segregation of duties within the accounting system is not economically feasible.

7d. In the future, the District will record a received date on all deposits.

Non-Payroll Disbursements

9c-d. In an office as small as ours, segregation of duties within the accounting system is not economically feasible.

10b. The District Defender approved all selected items by signing the checks to pay the invoices. In the future, the District Defender will also sign all invoices as evidence of additional approval.