

**Fourth Judicial District Public Defender Fund**  
**Parishes of Morehouse and Ouachita, Louisiana**

**Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**



**Fourth Judicial District Public Defender Fund**  
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**For the Fiscal Year Ended June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

Fourth Judicial District Public Defender Fund  
Parishes of Morehouse and Ouachita, Louisiana

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

### **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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Fourth Judicial District Public Defender Fund, as of December 9, 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 3-6 and 21-22 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 me with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, We have also issued our report dated December 9, 2019, on our consideration of the Fourth Judicial District Public 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 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 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 Fourth Judicial District Public Defender Fund's internal control over financial reporting and compliance.

*Cameron Hines & Company (APAC)*

**Fourth Judicial District Public Defender Fund  
Management's Discussion And Analysis  
For The Fiscal Year Ended June 30, 2019**

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

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

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

**Government-wide Financial Analysis**

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent period, the Fund's assets exceeded its liabilities by \$496,778 (net position); this represents an decrease of \$253,494 from the last fiscal year. Of this total net position amount, \$394,094 is unrestricted net position. The Fund's net assets are comprised of \$496,778 from governmental activities.

**Fourth Judicial District Public Defender Fund  
Management's Discussion And Analysis  
For The Fiscal Year Ended June 30, 2019**

The following is a condensed statement of the Fourth Judicial District Public Defender Fund's net assets as of June 30, 2019:

	Governmental-Type Activities		Total	
	2019	2018	2019	2018
<b>Assets</b>				
Current & Other Assets	\$ 323,341	\$ 558,639	\$ 323,341	\$ 558,639
	70,753	85,230	70,753	85,230
Capital Assets (net)	102,684	109,784	102,684	109,784
Total Assets	<u>496,778</u>	<u>753,653</u>	<u>496,778</u>	<u>753,653</u>
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ 3,381	\$ -	\$ 3,381
Long-term Liabilities	-	-	-	-
Total Liabilities	-	3,381	-	3,381
<b>Net Position</b>				
Invested in capital assets, net	102,684	109,784	102,684	109,784
Restricted	-	-	-	-
Unrestricted	394,094	640,488	394,094	640,488
Total Net Position	<u>\$ 496,778</u>	<u>\$ 750,272</u>	<u>\$ 496,778</u>	<u>\$ 750,272</u>

The Fund has an unrestricted net position of \$394,094, which may be used to meet the government's on-going obligation to citizens and creditors. Approximately 21% of the Fund's net position reflects its investment in capital assets (eg. equipment, building, etc.). These assets are not available for future spending.

The Fund had no long-term debt.

**Fourth Judicial District Public Defender Fund  
Management's Discussion And Analysis  
For The Fiscal Year Ended June 30, 2019**

The following is a summary of the statement of activities:

	Governmental-Type Activities		Total	
	2019	2018	2019	2018
<b>Revenue</b>				
Court Costs on Fines and Forfeitures	\$ 1,031,042	\$ 1,161,192	1,031,042	\$ 1,161,192
Intergovernmental Revenues	826,907	838,882	826,907	838,882
Fees, Charges, and Commissions	47,537	43,160	47,537	43,160
Total Revenue	<u>1,905,486</u>	<u>2,043,234</u>	<u>1,905,486</u>	<u>2,043,234</u>
<b>Expenses</b>				
Personnel Services	643,345	646,147	643,345	646,147
Professional Development	15,090	4,660	15,090	4,660
Operating Services	1,490,841	1,489,012	1,490,841	1,489,012
Depreciation	9,704	6,690	9,704	6,690
Total Expenses	<u>2,158,980</u>	<u>2,146,509</u>	<u>2,158,980</u>	<u>2,146,509</u>
 Increase (Decrease) in Net Assets	 (253,494)	 (103,275)	 (253,494)	 (103,275)
 Net Assets, Beginning	 <u>750,272</u>	 <u>853,547</u>	 <u>750,272</u>	 <u>853,547</u>
 Net Assets, Ending	 <u>\$ 496,778</u>	 <u>\$ 750,272</u>	 <u>\$ 496,778</u>	 <u>\$ 750,272</u>

Total revenues decreased \$137,748 or 6.74% from the prior period.

Expenses increased \$12,471 or .58% from the prior period.

**Governmental Activities**

The governmental activities of the Fund include judicial activities. Revenues associated with support for public defenders such as fees and grants are sufficient for the funding of these activities.

**Business-type Activities**

The Fund does not have any business-type activities.

**Fund Financial Statements – Governmental Funds**

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

**Fourth Judicial District Public Defender Fund  
Management's Discussion And Analysis  
For The Fiscal Year Ended June 30, 2019**

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

**Financial Analysis of the Fund's Governmental Fund**

The Fourth Judicial District Public Defender Fund's governmental fund (General Fund) reported an ending fund balance of \$394,094, which is an decrease of \$246,394. The entire ending fund balance of \$394,094 is unreserved.

**General Fund Budgetary Highlights**

The Fund did not amend the original General Fund budget during the course of the year.

The difference between the General Fund final budgeted revenues and actual revenues for the year ended June 30, 2019, totaled \$44,514, a negative variance of 2.3%. The actual expenditures were less than the final budgeted expenditures for the year ended June 30, 2019, by \$95,048, a positive variance of 4.23%.

**Capital Asset and Debt Administration**

The Fund's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$102,684 (net of accumulated depreciation). This investment includes building, furniture, and equipment. The fund added capital assets in the amount of \$2,604 during the fiscal year ended June 30, 2019.

**Current Financial Factors**

The Fund is working diligently to gain more revenue while decreasing expenses. The Fund adopted its operating budget for the fiscal year ending June 30, 2020 with estimated revenues of \$2,249,000, which is an increase over the previous fiscal year of \$299,000 or 15.33% and estimated expenditures of \$2,249,000, which is an increase of \$2,072 or .09%.

**Request for Information**

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

Michael A. Courteau, District Public Defender  
Fourth Judicial District Public Defender Fund  
714 St. John Street  
Monroe, LA 71210-3327



## **Basic Financial Statements**

**Fourth Judicial District Public Defender Fund**  
**Statement of Position**  
**June 30, 2019**

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	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Equivalents	\$ 323,341
Receivables	70,753
Capital Assets, net of accumulated depreciation	102,684
<b>Total Assets</b>	<b>\$ 496,778</b>
<b>Liabilities</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<b>-</b>
<b>Net Position</b>	
Invested in Capital Assets, net of Related Debt	102,684
Unrestricted	394,094
<b>Total Net Position</b>	<b>\$ 496,778</b>

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

**Fourth Judicial District Public Defender Fund**  
**Statement of Activities**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Primary Government:</b>							
Governmental Activities:							
Judiciary	\$ 2,158,980	\$ 47,537	\$ -	\$ 826,907	\$ (1,284,536)	\$ -	\$ (1,284,536)
Total Governmental Activities	<u>\$ 2,158,980</u>	<u>\$ 47,537</u>	<u>\$ -</u>	<u>\$ 826,907</u>	<u>\$ (1,284,536)</u>	<u>\$ -</u>	<u>\$ (1,284,536)</u>
Business-Type Activities:							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 2,158,980</u>	<u>\$ 47,537</u>	<u>\$ -</u>	<u>\$ 826,907</u>	<u>\$ (1,284,536)</u>	<u>\$ -</u>	<u>\$ (1,284,536)</u>

**General Revenues:**

Court Costs on Fines	1,031,042	-	1,031,042
Total General Revenues, Special Items, and Transfers	<u>1,031,042</u>	<u>-</u>	<u>1,031,042</u>
Changes in Net Position	(253,494)	-	(253,494)
Net Position - Beginning	750,272	-	750,272
Net Position - Ending	<u>\$ 496,778</u>	<u>\$ -</u>	<u>\$ 496,778</u>

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

**Fourth Judicial District Public Defender Fund  
Balance Sheet - Governmental Fund  
June 30, 2019**

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	<u><b>General Fund</b></u>
<b>Assets</b>	
Cash and equivalents	\$ 323,341
Receivables	70,753
<b>Total Assets</b>	<u><u>\$ 394,094</u></u>
 <b>Liabilities And Fund Equity</b>	
<b>Liabilities</b>	
Accounts Payable	\$ -
<b>Total Liabilities</b>	<u><u>-</u></u>
 <b>Fund Equity</b>	
Fund Balance - Unassigned	\$ 394,094
<b>Total Fund Equity</b>	<u><u>394,094</u></u>
 <b>Total Liabilities And Fund Equity</b>	 <u><u>\$ 394,094</u></u>

**Reconciliation to Statement of Net Position:**  
*Amounts reported for Governmental Activities in the statement of net position are different because:*

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

Total Fund Balances - Governmental Funds	394,094
Cost of Capital Assets	299,325
Less: Accumulated Depreciation	(196,641)
Net Position of Governmental Activities	<u><u>\$ 496,778</u></u>

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

**Fourth Judicial District Public Defender Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For The Fiscal Year Ended June 30, 2019**

<b>Revenues</b>	
State Government	
General Appropriations	\$ 826,907
Local Government	
Statutory Fines, Forfeitures, Fees, Court Costs, etc.	<u>1,078,579</u>
<b>Total Revenues</b>	<u><u>1,905,486</u></u>
<b>Expenditures - Judicial</b>	
<b>Personnel Services and Benefits</b>	
Salaries	596,285
Payroll Taxes	<u>47,060</u>
Total	643,345
<b>Professional Development</b>	
Dues, Licenses, and Registrations	5,411
Travel	<u>-</u>
Total	5,411
<b>Operating expenses</b>	
Library and Research	-
Contract Services - Attorneys	1,373,395
Contract Services - Other	40,380
Travel	9,679
Insurance	22,110
Supplies	17,897
Repairs & Maintenance	16,962
Utilities and Telephone	12,641
Other	7,456
Capital Outlays	<u>2,604</u>
Total	<u>1,503,124</u>
<b>Total Expenditures</b>	<u><u>2,151,880</u></u>
<b>Excess of Expenditures over Revenues</b>	(246,394)
<b>Fund Balance:</b>	
Beginning of Period	<u>640,488</u>
End of Period	<u><u>\$ 394,094</u></u>
Total Change in Fund Balances - Governmental Funds	\$ (246,394)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets purchased capitalized	2,604
Depreciation expense	(9,704)
Change in Net Position of Governmental Activities	<u><u>\$ (253,494)</u></u>

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

**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**INTRODUCTION**

The Fourth Judicial District Public Defender Fund, established in compliance with Louisiana Revised Statutes 15:144-149, provides and compensates counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district court level. The judicial district encompasses the parishes of Morehouse and Ouachita. House Bill No. 436, adopted in the 2007 Regular Legislative Session created Louisiana Public Defender Funds within each judicial district, transferring all obligations, duties, powers and responsibilities from the previous boards. Revenues to finance the Fund's operations are provided primarily from court costs on fines imposed by the various courts within the district.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**B. REPORTING ENTITY**

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

**C. FUND ACCOUNTING**

The Fourth Judicial District Public Defender Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain Fund functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**Governmental Funds**

Governmental funds account for all or most of the Fourth Judicial District Public Defender Fund'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 Fund. The following are the Fund's governmental funds:

**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**General fund** – the primary operating fund of the Fourth Judicial District Public Defender Fund and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Fund policy.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

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

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Fourth Judicial District Public Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

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

**Expenditures**

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

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the Fund as a whole. These statements include all the financial activities of the Fourth Judicial District Public Defender Fund. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). 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*.

**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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

**E. FUND EQUITY**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

*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 or enabling legislation.

*Committed Fund Balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District Defender – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District Defender 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.

*Assigned Fund Balance* – This classification reflects the amounts constrained by the District Defender’s “intent” to be used for specific purposes, but are neither restricted nor committed. The District Defender has the authority to assign amounts to be used for specific purposes. 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.

*Unassigned Fund Balance* - This fund balance is the residual classification for the general fund. It is used to report negative fund balances in other governmental funds.

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

**F. BUDGETS**

The Fourth Judicial District Public Defender Fund uses the following budget practices:



**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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The Fund adopted a budget for the year ended June 30, 2019 for the General Fund. The Fund follows the following procedures in establishing the budgetary data reflected in the financial statements. During the May meeting, the chief public defender submits to the board members a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. During the June meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The chief public defender is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board members. Appropriations lapse at the end of the year.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Fourth Judicial District Public Defender Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

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

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

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

**I. ANNUAL AND SICK LEAVE**

The Fourth Judicial District Public Defender Fund has adopted a formal vacation and sick leave policy. Employees can earn annual and sick leave with no limit on accumulation. The sick leave is not paid upon termination. Up to 80 hours of annual leave will be paid upon termination. This amount is the maximum employees can earn in one year, therefore no liability is set up as payable. The cost of leave

**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

**J. ESTIMATES**

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

**K. 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 Fund maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Fund, 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 useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 Years
Furniture and Fixtures	5-10 Years
Vehicles	5 Years
Equipment	5-20 Years

**L. RISK MANAGEMENT**

The Fourth Judicial District Public Defender Fund is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. To handle such risk of loss, the Fund maintains commercial insurance policies covering his automobile, and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2019.

**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

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**2. CASH AND CASH EQUIVALENTS**

At June 30, 2019, the Fourth Judicial District Public Defender Fund had cash and cash equivalents (book balances) totaling \$323,341 as follows:

Interest-bearing demand deposits	\$ <u>323,341</u>
Total	\$ <u>323,341</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 Fourth Judicial District Public Defender Fund had \$414,299 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and an adequate amount of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Fourth Judicial District Public Defender Fund that the fiscal agent has failed to pay deposited funds upon demand.

**3. RECEIVABLES**

The receivables of \$70,753 at June 30, 2019, are as follows:

<u>Class of Receivable – Court Costs</u>	<u>General Fund</u>
Morehouse Parish Sheriff's Office	\$ 2,686
Ouachita Parish Sheriff's Office	46,290
Town of Richwood Mayor's Court	540
Bastrop City Court	1,633
Monroe City Court	14,838
Probation	<u>4,766</u>
Total	\$ <u>70,753</u>

**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**4. CHANGES IN CAPITAL ASSETS**

	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Capital Assets:</b>				
Office Furniture & Equipment	\$ 38,846	\$ 2,604	\$ -	\$ 41,450
Building & Improvements	257,875	-	-	257,875
<b>Total Capital Assets</b>	<b>296,721</b>	<b>2,604</b>	<b>-</b>	<b>299,325</b>
Less: Accumulated Depreciation	186,937	-	9,704	196,641
Net Capital Assets	\$ 109,784	\$ 2,604	\$ 9,704	\$ 102,684

**5. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

There were no payables at June 30, 2019.

**6. GOVERNMENTAL FUND REVENUES AND EXPENDITURES**

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

**Revenues**

**State Government**

Appropriations – General	\$ 826,907
Appropriations – Special	-
Total	826,907

**Local Government**

Appropriations – General	-
Statutory fines, forfeitures, fees court costs, other	1,078,579
Total	1,078,579

**Charges for Services**

**Investment Earnings**

**Miscellaneous**

<b>Total Revenues</b>	<b>\$ 1,905,486</b>
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**Fourth Judicial District Public Defender Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**Expenditures**

**Personnel Services and Benefits**

Salaries	\$	596,285
Payroll Taxes		47,060
<b>Total</b>		643,345

**Professional Development**

Dues, Licenses and Registrations		5,411
Travel		9,679
<b>Total</b>		15,090

**Operating Costs**

Contract Services – Attorney & Legal	\$	1,373,395
Contract Services – Other		40,380
Capital Outlays		2,604
Insurance		22,110
Supplies		17,897
Repairs and Maintenance		16,962
Utilities and Telephone		12,641
Other		7,456
<b>Total</b>		1,493,445

	\$	2,151,880
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**7. CONTRACT ATTORNEYS**

At June 30, 2019, as provided by Louisiana Revised Statute 15:145(b)(3), the Fourth Judicial District Public Defender Fund had thirty-one contract attorneys to provide legal representation to indigents in the Fourth Judicial District. The contracts are for terms of one year and provide for a managing attorney, twenty-four attorneys for Ouachita Parish (including five juvenile attorneys), and two attorneys for Morehouse Parish. The managing attorney receives \$10,250 per month in compensation while the remaining attorneys receive monthly compensation ranging from \$2,100 to \$6,300, depending on their years of service under contract. The managing attorney reports to the public defender on the progress and disposition of cases received.

**8. LITIGATION AND CLAIMS**

The contracts between the Public Defender Fund and the attorneys contain provisions requiring the attorneys to maintain professional liability insurance and agreeing to hold the public defender fund harmless from any malpractice judgments. Accordingly, no provision for any liability arising from lawsuits has been made in the accompanying financial statements.

**9. SUBSEQUENT EVENTS**

**Date of Management Evaluation**

Management has evaluated subsequent events through **December 9, 2019**, the date on which the financial statements were available to be issued.

## **Supplemental Information**

**Fourth Judicial District Public Defender Fund**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Fiscal Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
State Government				
General Appropriations	\$ 850,000	\$ 850,000	\$ 826,907	\$ (23,093)
Local Government				
Statutory Fines, Forfeitures, Fees, Court Costs, etc,	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,078,579</u>	<u>(21,421)</u>
<b>Total Revenues</b>	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,905,486</u>	<u>(44,514)</u>
<b>Expenditures - Judicial</b>				
<b>Personnel Services and Benefits</b>				
Salaries	600,950	600,950	596,285	4,665
Payroll Taxes	51,771	51,771	47,060	4,711
<b>Professional Development</b>				
Dues, Licenses, and Registrations	2,500	2,500	5,411	(2,911)
Travel	-	-	-	-
<b>Operating expenses</b>				
Library and Research	-	-	-	-
Contract Services - Attorneys	1,454,532	1,454,532	1,373,395	81,137
Contract Services - Other	59,200	59,200	40,380	18,820
Travel	14,300	14,300	9,679	4,621
Insurance	4,000	4,000	22,110	(18,110)
Supplies	22,525	22,525	17,897	4,628
Repairs & Maintenance	12,500	12,500	16,962	(4,462)
Utilities and Telephone	18,900	18,900	12,641	6,259
Training	5,000	5,000	-	5,000
Other	750	750	7,456	(6,706)
Capital Outlays	-	-	2,604	(2,604)
<b>Total Expenditures</b>	<u>2,246,928</u>	<u>2,246,928</u>	<u>2,151,880</u>	<u>95,048</u>
<b>Excess of Expenditures over Revenues</b>	(296,928)	(296,928)	(246,394)	50,534
<b>Fund Balance:</b>				
Beginning of Period	640,488	640,488	640,488	-
End of Period	<u>\$ 343,560</u>	<u>\$ 343,560</u>	<u>\$ 394,094</u>	<u>\$ 50,534</u>

See independent auditors' report.

**Fourth Judicial District Public Defender Fund  
Notes to Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2019**

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**(1) Summary of Significant Accounting Policies**

The Fund annually adopts a budget for the General Fund. All appropriations are legally controlled at the Fund level for operations. The proposed budget is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Fourth Judicial District Public Defender's office during the month of June. The budget is then legally adopted and amended during the year, as necessary.

The budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets (if any). All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.



**Fourth Judicial District Public Defender Fund**  
**Schedule of Compensation, Reimbursements, Benefits, and Other Payments to**  
**Agency Head**  
**For The Fiscal Year Ended June 30, 2019**

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**Schedule 2**

**Agency Head:**  
**Michael A. Courteau, District Public Defender**

<b>Purpose:</b>	<b><u>Amount</u></b>
Salary	\$ 112,750
Benefits - Payroll Taxes	8,711
Benefits - Insurance	2,231
Travel - Mileage	1,039
Registration Fees	-
<b>Total Compensation, Benefits and Other Payments</b>	<b><u><u>\$ 124,731</u></u></b>

See independent auditors' report.

# CAMERON, HINES & COMPANY

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

Fourth Judicial District Public Defender Fund  
Parishes of Morehouse and Ouachita, 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 each major fund of the Fourth Judicial District Public Defender Fund, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fourth Judicial District Public Defender Fund's basic financial statements, and have issued our report thereon dated December 9, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fourth Judicial District Public 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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fourth Judicial District Public 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fourth Judicial District Public Defender Fund's financial statements are free from 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*.

### **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.

*Cameron Hines & Company (APAC)*

West Monroe, Louisiana  
December 9, 2019

**Fourth Judicial District Public Defender Fund  
Schedule of Findings and Responses  
For The Year Ended June 30, 2019**

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We have audited the financial statements of the Third Judicial District Public Defender Fund as of and for the year ended June 30, 2019, and have issued our report thereon dated December 9, 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. Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

**Section I- Summary of Auditors' Reports**

**A. Report on Internal Control and Compliance Material to the Financial Statements**

	<u>Yes</u>	<u>No</u>
<b><u>Internal Control</u></b>		
Material Weaknesses		X
Significant Deficiencies		X
<b><u>Compliance</u></b>		
Noncompliance Material to Financial Statements		X

**B. Federal Awards – N/A**

**C. Identification of Major Programs: N/A**

**Fourth Judicial District Public Defender Fund  
Schedule of Findings and Responses  
For The Year Ended June 30, 2019**

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**Section II- Financial Statement Findings**

There were no findings for the year ended June 30, 2019.

**Section III-Federal Award Findings and Question Costs**

This section is not applicable for this entity.

**Fourth Judicial District Public Defender Fund  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2019**

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**Internal Control and Compliance Material to the Financial Statements**

**2018-001 Failing to File Financial Statements Pursuant to R.S. 24:513 B.(3)**

**Condition:** The Fourth Judicial District Public Defender's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of December 31, 2018.

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

**Status:** No Longer Applicable.

**2018-002 Noncompliance with Local Government Budget Act**

**Condition:** The Fourth Judicial District Public Defender amended the General Fund and Juvenile budgets, but failed to advertise the amendments.

**Recommendation:** Management should advertise all budget amendments when required by law.

**Status:** No Longer applicable.

**Management Letter**

No management letter was issued.

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To the Fourth Judicial District Public Defender and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Fourth Judicial District Public Defender (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 Defender'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***

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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):<sup>1</sup>
  - a) ***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.

**Findings:** No exceptions noted.

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

## ***Bank Reconciliations***

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2. 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<sup>2</sup> (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:
  - 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);
  - 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
  - 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.

**Findings:** No exceptions noted.

## ***Collections (excluding EFTs)***<sup>3</sup>

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3. Obtain a listing of deposit sites<sup>4</sup> 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).
4. For each deposit site selected, obtain a listing of collection locations<sup>5</sup> 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:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.

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<sup>2</sup> Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

<sup>3</sup> The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

<sup>4</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>5</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit.

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- 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.
  - 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.
  - 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.
5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
6. 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)<sup>6</sup>. *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:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - 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).
  - e) Trace the actual deposit per the bank statement to the general ledger.

**Findings:** Two exceptions noted where it could not be determined what date the checks were received. Therefore, it was not possible to know that the deposit was made within one business day or not because the date of the check and date of the deposit were more than one business day apart.

#### *Travel and Travel-Related Expense Reimbursements<sup>7</sup> (excluding card transactions)*

7. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement

<sup>6</sup> If "bank reconciliations" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

<sup>7</sup> Non-travel reimbursements are not required to be tested under this category.

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

**Findings:** One exception noted where the expense was not reviewed by someone other than the employee who was reimbursed.

### ***Management's Response***

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We concur with the results of the procedures and are working diligently to improve controls.

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.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 5, 2019