

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND**
St. John the Baptist Parish, Louisiana

Annual Financial Statements and
Independent Auditor's Report

As of and for the Year Ended
June 30, 2023

CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditor’s Report		1
Management’s Discussion and Analysis		6
Basic Financial Statements:		
Governmental Funds Balance Sheet/ Statement of Net Position	A	12
Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities	B	13
Notes to the Financial Statements		15
	<u>Schedule</u>	<u>Page</u>
Required Supplemental Information:		
Schedule of Revenues, Expenditures, And Changes in Fund Balance – Budget (Cash Basis) and Actual – Governmental Fund	1	33
Other Supplementary Information:		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	2	34
Justice System Funding Schedule-Receiving Entity	3	35
Other Report Required by <u>Government Auditing Standards:</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 Government Auditing Standards.		37
Summary Schedule of Current and Prior Year Audit Findings and Responses	4	39
Independent Accountant’s Report on Applying Statewide Agreed Upon Procedures		41

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INDEPENDENT AUDITOR'S REPORT

To the District Public Defender
Fortieth Judicial District Public Defender Fund
La Place, Louisiana

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Public Defender Fund as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Public Defender Fund's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and aggregate remaining fund information of the Fortieth Judicial District Public Defender Fund as of June 30, 2023, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Fortieth Judicial District Public Defender Fund and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fortieth Judicial District Public Defender Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fortieth Judicial District Public Defender Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fortieth Judicial District Public Defender Fund's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I have identified during the audit.

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 6 through 10 and 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fortieth Judicial District Public Defender Fund's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer and the Justice System Funding Schedule for Receiving Entities, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and directly related to the underlying accounting and other records used to prepare the financial statements. The 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments to agency head or chief executive officer and Justice System Funding Schedules for Receiving Entities, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued a report dated October 10, 2023, on my consideration of the Fortieth Judicial District Public Defender Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fortieth Judicial District Public 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 Fortieth Judicial District Public 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, I have issued a report, dated October 10, 2023, on the results of our statewide 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 not to provide an opinion on control or compliance.



Keith M. Rivere
Certified Public Accountant
October 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2023

The Management's Discussion and Analysis (MD&A) of the Fortieth Judicial District Public Defender Fund's financial performance presents a narrative overview and analysis of the Public Defender Fund's financial activities for the year ended June 30, 2023. Please read this document in conjunction with the additional information contained in the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Public Defender Fund's total net position decreased by \$34,128 or 15 percent over the course of the year's operations.
- Revenues decreased by \$49,481 or 6 percent to \$765,272 while expenses for the year decreased by 5 percent or approximately \$44,959.
- The general fund reported a fund balance of \$181,673, a decrease from June 30, 2022 of 16 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Basic Financial Statements:

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

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2023

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

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of June 30, 2023 and 2022

	<u>6/30/23</u>	<u>6/30/22</u>
Current and other assets	\$223,025	\$252,105
Capital assets	5,801	<u>4,254</u>
Lease right to use asset	<u>117,556</u>	
Total Assets	<u>346,382</u>	<u>256,359</u>
Deferred Outflows of Resources	<u>-0-</u>	<u>-0-</u>
Current liabilities	54,867	35,151
Long-term liabilities	<u>104,435</u>	<u>-0-</u>
Total Liabilities	<u>159,302</u>	<u>35,151</u>
Deferred Inflows of Resources	<u>-0-</u>	<u>-0-</u>
Net Position:		
Invested in capital assets, net of debt	5,801	4,254
Unrestricted	181,279	216,954
Restricted	-0-	-0-
Total Net Position	<u>\$187,080</u>	<u>\$221,208</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
 Management's Discussion and Analysis
 As of and for the year ended June 30, 2023

The district's net position decreased by \$34,129 or 15%.

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

Statement of Activities
 For the years ended June 30, 2023 and 2022

	<u>6/30/23</u>	<u>6/30/22</u>
Revenues		
Statutory fines, forfeitures, and court cost	\$316,050	\$339,235
Intergovernmental	41,685	32,586
Charges for services	9,238	9,213
Interest	187	161
Miscellaneous	-0-	-0-
State Revenue	357,777	344,617
Miscellaneous-Insurance Proceeds		88,941
Federal Grant through State	40,335	
	-----	-----
	\$765,272	\$ 814,753
	=====	=====
Expenditures		
Personnel	696,798	722,972
Other Operating	102,603	121,388
	-----	-----
	<u>799,401</u>	<u>844,360</u>
Net Changes in Net Position	\$ (34,129)	\$(29,607)
	=====	=====

During the fiscal year total revenues decreased by \$49,481 or 6%. The total cost of all expenditures decreased by \$44,959, or 5%. The decrease in total revenue is primarily due to insurance proceeds in 2022 due to Hurricane Ida.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
 Management’s Discussion and Analysis
 As of and for the year ended June 30, 2023

CAPITAL ASSETS

At June 30, 2023, the Public Defender has invested \$5,801 in equipment and furniture and \$117,556 in a right to use asset.

	<u>Governmental Activities</u>	
	<u>6/30/23</u>	<u>6/30/22</u>
<u>Capital Assets</u>		
Equipment & Furniture	\$19,859	\$30,883
Accumulated Depreciation	<u>(14,058)</u>	<u>(26,629)</u>
Net Capital Assets	\$ 5,801	\$ 4,254
	=====	=====
Right of Use Asset	\$121,910	\$ -0-
Accumulated Amortization	(4,354)	-0-
	-----	-----
Net Right of Use Asset	\$117,556	-0-
	=====	=====

USING THIS ANNUAL REPORT

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 41 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the District’s workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the Public Defenders’ legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

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

However, in fiscal year ending June 30, 2023, COVID-19 and Hurricane Ida caused a reduction in traffic and ticket writing. The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

CONTACTING THE BOARD'S MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the district's finances, and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Fontella Baker, District Public Defender of the Fortieth Judicial District Public Defender Fund, 75 Dominican Drive, Suite 202, La Place, Louisiana, or telephone, 985-651-6677 (extension 6682).

BASIC FINANCIAL STATEMENTS

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

June 30, 2023

	General Fund	Other Funds	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$84,497	\$0	\$84,497	-	\$84,497
Certificates of Deposit	70,000		70,000		70,000
Receivables	68,528	0	68,528	-	68,528
Capital assets, net of accumulated depreciation (Note C)		0	-	5,801	5,801
Right of use assets, net of accumulated amortization (Note C)				117,556	117,556
Total Assets	\$223,025	\$	\$223,025	123,357	\$346,382
DEFERRED OUTFLOWS OF RESOURCES					
	0	0	0	0	0
LIABILITIES					
Liabilities:					
Cash overdraft	\$	\$	\$	\$	\$
Accounts payable	33,946		33,946	-	33,946
Payroll Tax Payable	1,291		1,291		1,291
Accrued Payroll	6,115		6,115		6,115
Escrow Payable			-		-
Long-term liabilities					-
Due within one year				13,515	13,515
Due after one year				104,435	104,435
Total Liabilities	\$41,352		\$41,352	\$117,950	\$159,302
DEFERRED INFLOWS OF RESOURCES					
	0	0	0	-	0
FUND BALANCES/NET POSITION					
Fund balances:					
Reserved for inventories					
Unassigned, reported in:					
General Fund	181,673		181,673	(181,673)	-
Other Funds					
Total Fund Balances	181,673		181,673	(181,673)	-
Total Liabilities and Fund Balances	\$ 223,025		\$ 223,025	\$ (63,723)	\$ 159,302
NET POSITION					
Invested in Capital Assets, Net of Related Debt				5,801	5,801
Restricted				-	-
Unrestricted				181,279	181,279
Total Net Position				\$ 187,080	\$ 187,080
				\$	-

The accompanying notes are an integral part of this statement.

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

Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended June 30, 2023

	General Fund	Other Funds	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Public Defender:					
Personal Services	\$294,024		\$294,024		\$294,024
Contract Services-Attorneys	342,043		342,043		342,043
Related Benefits	60,731		60,731		60,731
Travel and professional development	4,762		4,762		4,762
Operating Services	74,429		74,429		74,429
Office Lease	15,550		15,550		15,550
Depreciation			-	2,067	2,067
Amortization			-	4,354	4,354
Capital Outlay-Equipment	3,614		3,614	(3,614)	-
Capital Outlay-Right of Use Asset	121,910		121,910	(121,910)	-
Debt Service-Principal	3,959		3,959	(3,959)	-
Debt Service-Interest	1,441		1,441		1,441
			-		-
			-		-
			-		-
Total Expenditures/Expenses	922,463	-	922,463	(123,062)	799,401
PROGRAM REVENUES					
Charges for services	9,238		9,238		9,238
Statutory fines, forfeitures, fees and court costs	316,050		316,050		316,050
Other charges	41,685		41,685		41,685
Net Program Expense (Revenue)	555,490	-	555,490	(123,062)	432,428
GENERAL REVENUES					
State revenue	357,777		357,777		357,777
Federal Grant	40,335		40,335		40,335
Investment earnings	187		187		187
	-		-		-
Total General Revenues	398,299	-	398,299	-	398,299
OTHER FINANCING SOURCES					
Lease Financing	121,910		121,910	(121,910)	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION					
	(35,281)	-	(35,281)	1,152	(34,129)
FUND BALANCE/NET POSITION:					
Beginning of the Year	216,954		216,954	4,255	221,209
End of Year	\$ 181,673	\$ -	\$ 181,673	\$ 5,407	\$ 187,080

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

INTRODUCTION

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying basic financial statements of the Fortieth Judicial District Public Defender Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999 and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB Statement 87, *Leases*.

2. Reporting Entity

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

3. Fund Accounting

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

Governmental Funds

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

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Public Defender 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:

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

Expenditures:

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Public Defender as a whole. These statements include all the financial activities of the District Public Defender. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

Reconciliation

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

Fund Equity, Governmental Fund	\$181,673
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Property, Plant, & Equipment	5,801
Lease Right of Use Asset	117,556
Lease Liability	(117,950)

Net Position of Governmental Activities	\$187,080
	=====

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Change in Fund Balance-Governmental Funds			\$(35,281)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense.			
In the current year:			
Expenditures for Capital assets	\$3,614		
Less current depreciation expense	(2,067)	1,547	
Amortization of lease right of use that exceeded expenditures for lease payments			(395)

Change in Net position of governmental activities			\$(34,129)
		=====	

New Accounting Standard

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, and as required the Fortieth Judicial District Public Defender Fund has adopted it in the fiscal year. This Statement outlines a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Fortieth Judicial Public Defender Fund has analyzed the provisions of GASB Statement No. 87, Leases, and has concluded that there are three leasing arrangements which qualify for disclosure under the new statement with the Fortieth Judicial District Public Defender Fund being the lessee.

5. Budgets and Budgetary Accounting

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The following is a reconciliation of the excess of revenues over expenditures on Schedule 1 (budget comparison) with the excess of revenues over expenditures on Statement B for the General Fund:

	General Fund
Excess (Deficiency) of receipts over disbursements – Schedule 1	\$(79,634)
Add:	
+ Receivables at June 30, 2023	68,528
+ Liabilities at June 30, 2022	43,678
Less:	
- Receivables at June 30, 2022	(27,792)
- Liabilities at June 30, 2023	<u>(40,061)</u>
Excess (Deficiency) of revenues over expenditures – Statement B	\$ (35,281) =====

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Encumbrances

The Public Defender does not use encumbrance accounting.

7. Cash and Cash Equivalents

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

8. Court Cost Receivables

Receivables include amounts which were due to be received by June 30, 2023, but were not actually received until after June 30, 2023. Collection is assured for receivables for court costs and forfeitures and bail bond fees; these fees are recognized as revenue when earned.

9. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Public Defender maintains a threshold level of \$300 or more for capitalizing capital assets.

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

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

10. Annual and Sick Leave

The Public Defender Office has an annual leave policy for non-lawyer employees and lawyer employees. For non-lawyer employees on the job for less than one-year, annual leave/vacation of 8 hours is permitted to be taken each calendar quarter. For non-lawyer employees on the job for at least one full year, annual leave/vacation of 64 hours per year is permitted. In addition, for non-lawyer employees, personal leave (sick) permitted to be taken is 32 hours per year. For staff attorneys and supervising attorneys, attorneys may take personal time off equivalent to 8 hours each month for a total of 96 hours per year. Vacation and personal time have no cash value, may not be carried over to the next calendar year, and may not be redeemed for cash. Leave must be taken or lost.

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

11. Long-Term Liabilities

Long-Term Liabilities include obligations of capitalized leases.

12. Estimates

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Equity Classifications

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

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

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

In the fund financial statements, governmental fund equity is classified as fund balance. The Public Defender has adopted GASB Statement 54 for the year ended June 30, 2023. As such, fund balance of the governmental fund is classified as follows:

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

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

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

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

Unassigned- represents balances for which there are no constraints.

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

NOTE B – CASH

At June 30, 2023, the Public Defender Fund had cash (book balances) as follows:

	Current
	Unrestricted
Demand deposit	\$ 84,497
Time deposits	<u>70,000</u>
Total	\$154,497
	=====

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 always 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, 2023, the district had \$154,980 in deposits (collected bank balances). These deposits were secured from risk by \$154,980 of federal deposit insurance.

Custodial Credit Risk-Is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the bank balance was exposed to custodial credit risk.

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE C – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Furniture, Fixtures, Equipment & Computers	\$30,883	\$3,614	\$(14,638)	\$19,859
Less: Accumulated Depreciation	<u>26,629</u>	<u>2,067</u>	<u>(14,638)</u>	<u>14,058</u>
Total	4,254	1,547	-0-	5,801
Right of Use Asset	-0-	121,910	-0-	121,910
Less accumulated amortization	<u>-0-</u>	<u>4,354</u>	<u>-0-</u>	<u>4,354</u>
Total	-0-	117,556	-0-	117,556
Net Capital Assets	\$ 4,254	\$119,103	\$ -0-	\$123,357

For the year ended June 30, 2023, depreciation expense was \$2,067 and amortization expense of \$4,354.

Leased assets will be amortized over the lease term. Unamortized lease assets to be amortized in future periods are as follows:

<u>Year Ending June 30,</u>	
2024	\$17,416
2025	17,416
2026	17,416
2027	17,416
2028	17,416
2029-2030	<u>30,476</u>
Total	\$117,556

NOTE D – PENSION PLAN

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE E – OTHER POSTEMPLOYMENT BENEFITS

The Fortieth Judicial District Public Defender Fund does not provide any other post-employment benefits.

NOTE F – LEASES AND COMMITMENTS

The Public Defender Office leases office space and equipment. The various lease commitments are as follows.

1. On October 5, 2021, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for office space for 3 months. Afterwards, the lease became month to month. In the current year, \$13,500 was paid for rent.
2. On April 1, 2023, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for office space for 60 months in the amount of \$1,800 per month. In the current year, \$5,400 was paid in main office lease payments. The lease agreement provides for one renewal option for a 24-month period that the Office is reasonably certain to exercise. The monthly renewal amount is \$1,980 per month, an additional 10%.
3. On August 15, 2022, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for a copier on a month-to-month basis. In the current year, \$2,649 was paid in copier lease payments.
4. On February 23, 2023, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for storage space under a one-year lease. In the current year, \$2,035 was paid for file storage space.

The District recognizes a lease liability and an intangible right to use asset (lease asset) in the government-wide financial statements.

The following is a summary of lease liability transactions of the Public Defender Office for the year ended June 30, 2023

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability	\$ -0-	\$121,910	\$3,959	\$117,951

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

The Public Defender Office’s principal and interest requirements to maturity (Minimum lease payments) are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$13,515	\$8,085	\$21,600
2025	14,525	7,075	21,600
2026	15,611	5,989	21,600
2027	16,778	4,822	21,600
2028	18,575	3,565	22,140
2029-2030	38,947	2,633	41,580
	-----	-----	-----
Total	\$117,951	\$32,169	\$150,120

NOTE G – LITIGATION AND CLAIMS

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

NOTE H – CONCENTRATIONS

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

NOTE I – ECONOMIC FACTORS

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 41 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the district’s workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the Public Defenders’ legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney's use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2020.

However, in fiscal year ending June 30, 2023, the sheriff either ceased participation in the L.A.C.E. program or reduced participation drastically. COVID-19 contributed to less traffic and less ticket writing. The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

NOTE J – HEALTH CARE AND LIFE INSURANCE BENEFITS

Beginning in January 2020, all employees of the 40th Judicial District Public Defender Office working 30 hours per week, or more were offered coverage on a Group Policy of Health Insurance. The district pays for 85% of the monthly premium for each employee only. Coverage for family members is not paid for by the district. The employee pays for the other 15% through a payroll deduction. There is a 90-day waiting period after commencing employment to be eligible for this benefit.

NOTE K – SUBSEQUENT EVENTS

As described in Note N, the COVID-19 pandemic has impacted the district's fiscal year 2023 and may continue to affect financial performance in the future. The financial impact and duration, however, cannot be reasonably estimated at this time.

Management has evaluated subsequent events through the date the financial statements were available to be issued, October 10, 2023, and determined that there were no additional subsequent events requiring disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE L – RISK MANAGEMENT

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

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

NOTE M – CORONAVIRUS PANDEMIC (COVID-19)

A novel strain of coronavirus has spread around the world, resulting in business, governmental, and social disruption. In March 2020, the novel coronavirus (COVID-19) global pandemic began affecting the district's employees and governmental operations, as well as the United States economy and financial markets. The Louisiana Department of Health requested the postponement of non-essential services from approximately March 19, 2020, until April 27, 2020. This caused a shutdown in the judicial court system. While this disruption was temporary, it did impact the district's operations during 2020. There is a likelihood that this pandemic will continue to affect the district's financial performance in fiscal year 2023 and beyond. The related financial impact and duration, however, cannot be reasonably estimated at this time.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

NOTE N - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2023, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government

Appropriations - general	\$357,777	
Appropriations - special		
Other		
Total	<u> </u>	\$357,777

Local Government

Appropriations - general		
Statutory fines, forfeitures, fees, court costs, and other	\$316,050	
Taxes - millages, sales, special, and other		
Condition of Probation	41,685	
Total	<u> </u>	\$357,735

Federal Government

Grants - direct		
Grants - indirect (passed-through state)	40,335	
Total	<u> </u>	\$ 40,335

Charges for Services \$9,238

Investment earnings \$187

Miscellaneous-Lease Financing \$121,910

Total Revenues \$ 887,182

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2023

Expenditures:

Personnel Services and Benefits

Salaries	\$294,024	
On-behalf payments - salaries		
Retirement contributions		
On-behalf payments - retirement		
Insurance	38,022	
On-behalf payments - insurance		
Payroll taxes	22,709	
Other		
Total		\$354,755

Professional Development

Dues, licenses, and registrations	3,385	
Travel	1,102	
Other		
Total		4,487

Operating Costs

Library and research	-	
Contract services - attorney/legal	342,043	
Contract services - other	24,080	
Lease - office	15,550	
Lease - autos and other	4,430	
Travel - transportation	3,660	
Travel - other	-	
Insurance	10,758	
Supplies	6,056	
Repairs and maintenance	2,434	
Utilities and telephone	8,121	
Other	15,165	
Total		432,297

Debt Service \$5,400

Capital outlay \$125,524

Total Expenditures \$ 922,463

REQUIRED SUPPLEMENTAL INFORMATION

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

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(Cash Basis) and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Cash Basis	Budget to GAAP Differences Over(Under)	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Charges for services	\$ 9,154	\$ 8,558	\$ 9,198	\$ 680	\$ 9,238
Statutory fines, forfeitures, fees and court costs	354,614	319,176	315,507	(3,126)	316,050
Other charges	32,479	32,479	41,635	9,206	41,685
State revenue	188,069	347,939	355,959	9,838	357,777
Federal Grant	-	-	-	40,335	40,335
Investment earnings	175	176	187	11	187
				-	-
Total revenues	584,491	708,328	722,486	56,944	765,272
EXPENDITURES					
Personal Services	357,105	306,128	306,216	(12,104)	294,024
Contract Services-Attorneys	253,533	331,364	334,277	10,679	342,043
Related Benefits	66,350	59,890	60,731	841	60,731
Travel and professional development	2,447	5,130	5,125	(368)	4,762
Contract Services-Other	39,492	25,080	25,080	(1,000)	24,080
Office Lease	23,500	18,900	17,700	(3,350)	15,550
Insurance	10,554	8,996	8,996	-	8,996
Operating Services	44,992	41,705	40,381	(352)	41,353
Depreciation				-	-
Amortization				-	-
Capital Outlay-Equipment	2,400	2,400	3,614	1,214	3,614
Capital Outlay-Right of Use Asset				121,910	121,910
Debt Service-Principal				3,959	3,959
Debt Service-Interest				1,441	1,441
				-	-
				-	-
				-	-
				-	-
Total Expenditures/Expenses	800,373	799,593	802,120	122,870	922,463
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(215,882)	(91,265)	(79,634)	(65,926)	(157,191)
OTHER FINANCING SOURCES (Uses)					
Lease Financing			-	121,910	121,910
Total other financing sources (uses)				121,910	121,910
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(215,882)	(91,265)	(79,634)	55,984	(35,281)
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	234,041	234,041	234,041	(17,087)	216,954
FUND BALANCE (Deficit) AT END OF YEAR	\$ 18,159	\$ 142,776	\$ 154,407	\$ 38,897	\$ 181,673

EXPLANATION OF DIFFERENCES:

(1) Receivables at 6/30/22	26,591
(2) Payables at 6/30/22	(43,678)
Net increase in fund balance--budget to GAAP	<u>(17,087)</u>

Schedule 2

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

Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2023

Agency Head Name: Fontella F. Baker, District Public Defender

<u>Purpose</u>	<u>Amount</u>
Salary	88,419.00
Benefits - Insurance	11,543.00
Benefits - Retirement	
Benefits - Other	
Benefits - Payroll Taxes	6,749.00
Car Allowance	
Vehicle provided by government	
Per diem	
Dues	
Travel/Auto Mileage	1,341.00
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

The accompanying notes are an integral part of this statement.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session

Schedule 3

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 06/30/23
Receipts From:		
<i>St. John the Baptist Parish Sheriff, Criminal Court Costs/Fees</i>	111,956	157,613
<i>St. John the Baptist Parish Sheriff, Criminal Fines - Other</i>	21,455	25,026
Subtotal Receipts	133,411	182,639
Ending Balance of Amounts Assessed but Not Received	-	-

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

KEITH M. RIVIERE, CPA

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

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

To the District Public Defender
Fortieth Judicial District
Public Defender Fund
La Place, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Fortieth Judicial District Public Defender Fund which comprise the statement of net position as of June 30, 2023, and the related statement of activities for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 10, 2023.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fortieth Judicial District Public Defender Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fortieth Judicial District Public Defender Fund's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fortieth 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 that is more than inconsequential will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, identified as findings 23-1(IC) and 23-2(IC), that I consider to be significant deficiencies.

Compliance and Other Matters

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

Response to Findings

The Fortieth Judicial District Public Defender Fund's response to the findings identified in my audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The Fortieth Judicial District Public Defender Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Keith M. Rivere
Certified Public Accountant
October 10, 2023

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

Summary Schedule of Current and Prior Year Audit Findings and Responses
For The Year Ended June 30, 2023

Ref. No	Fiscal Year Finding Initially Occurred	Description of findings	Corrective Action Taken	Responses	Name of Contact Person	Anticipated Completion Date
Current Year (6/30/23)						
Internal Control						
23-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Fontella Baker	N/A
23-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Fontella Baker	N/A
Prior Year (6/30/22)						
Internal Control						
22-1(IC)	Unknown	Due to the small number of employees, the Organization did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Fontella Baker	N/A
22-2(IC)	2007	The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Organization has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditor, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Fontella Baker	N/A

AGREED-UPON PROCEDURES

KEITH M. RIVERE, CPA

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

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures described in Schedule 2, which were agreed to by the Fortieth Judicial District Public Defender and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Fortieth Judicial District Public Defender's management is responsible for those C/C areas identified in the SAUPs.

The District Public Defender has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedure performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

I am engaged by the District Public Defender to perform this agreed-upon engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. I am not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the District Public Defender and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Keith M. Rivere
Certified Public Accountant
October 10, 2023

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- c) ***Disbursements***, including processing, reviewing, and approving.

Results: No exceptions were found as a result of applying the above procedure.

- 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).

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023

- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- 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).

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- i) *Ethics*², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023

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

Results: No exceptions were found as a result of applying the above procedure.

- k) *Information Technology 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.

Results: No exceptions were found as a result of applying the above procedure.

- l) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the above procedure.

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.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds³, and semi-annual budget- to-actual, at a minimum, on all special revenue funds⁷.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
- d) Observe whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: Not applicable. As of August 2007, all public defender offices in Louisiana are offered oversight by a centralized Board located in Baton Rouge, Louisiana; therefore, there are no minutes to review.

Bank Reconciliations

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

Results: No exceptions were found as a result of applying the above procedure.

- 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

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

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

Results: No exceptions were found as a result of applying the above procedure.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites⁵ 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

Results: No exceptions were found as a result of applying the above procedure.

5. For each deposit site selected, obtain a listing of collection locations⁶ 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:

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

- 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/official verifies the reconciliation.

Results: No exceptions were found as a result of applying the above procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were found as a result of applying the above procedure.

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: Chose a sample size of 10 since only one bank account. Obtain supporting documentation for each of the 10 deposits and:

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

**Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023**

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

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).

Results: No exceptions were found as a result of applying the above procedure.

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.

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- 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.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

- 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.

Results: Exception noted: After checks are signed by the authorized signers, the checks are given back to the accountant to mail. The accountant is the individual responsible for processing payments.

Management's response: Management will consider reassigning the duty of mailing checks to an employee who is not responsible for processing payments. However, this may not be cost effective.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of applying the above procedure.

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:

Results: No exceptions were found as a result of applying the above procedure.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

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

Results: Exception noted. Due to the small number of employees, the district does not have adequate segregation of functions within the accounting system.

Management's Response: It is not cost effective to have adequate segregation of duties. In addition, the District Public Defender approves all disbursements.

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 cards⁷. Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards 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 whether 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) were reviewed and approved, in writing (or electronically approved), 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.]

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

**Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023**

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

Results: No exceptions were found as a result of applying the above procedure.

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)⁸. For each transaction, observe 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.

Results: No exceptions were found as a result of applying the above procedure.

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

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

Results: No exceptions were found as a result of applying the above procedure.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

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

Results: No exceptions were found as a result of applying the above procedure.

- c) Observe 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.

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

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:

Results: No exceptions were found as a result of applying the above procedure.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law⁹ (e.g., solicited quotes or bids, advertised), if required by law.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

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

Results: No exceptions were found as a result of applying the above procedure.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: No exceptions were found as a result of applying the above procedure.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the above procedure.

Payroll and Personnel

16. Obtain a listing of employees and officials¹⁰ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of applying the above procedure.

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
Schedule of Procedures and Associated Findings of the
Statewide Agreed-upon Procedures
For the year ended June 30, 2023

- a) Observe all selected employees or officials¹¹ documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results: No exceptions were found as a result of applying the above procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

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

Results: No exceptions were found as a result of applying the above procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the above procedure.

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 whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Results: No exceptions were found as a result of applying the above procedure.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

21. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

Results: No exceptions were found as a result of applying the above procedure.

Debt Service

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

Results: No exceptions were found as a result of applying the above procedure.

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

Results: No exceptions were found as a result of applying the above procedure.

Fraud Notice

24. 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.

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

25. Observe the entity has posted, on its premises¹² and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.¹³

Results: No exceptions were found as a result of applying the above procedure.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Result: I performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: I performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: I performed the procedure and discussed the results with management.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

- d) Observe evidence that the agency's backup of critical data was not stored on the local server or network.

Results: I performed the procedure and discussed the results with management.

- e) Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: I performed the procedure and discussed the results with management.

Sexual Harassment

27. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: No exceptions were found as a result of applying the above procedure.

28. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: No exceptions were found as a result of applying the above procedure.

29. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Results: No exceptions were found as a result of applying the above procedure.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule of Procedures and Associated Findings of the

Statewide Agreed-upon Procedures

For the year ended June 30, 2023

1. Number and percentage of public servants in the agency who have completed the training requirements.

Results: No exceptions were found as a result of applying the above procedure.

2. Number of sexual harassment complaints received by the agency.

Results: No exceptions were found as a result of applying the above procedure.

3. Number of complaints which resulted in a finding that sexual harassment occurred.

Results: No exceptions were found as a result of applying the above procedure.

4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Results: No exceptions were found as a result of applying the above procedure.

5. The amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of applying the above procedure.