

Financial Report

*Thirty-Fourth Judicial District Office
of the Public Defenders*

Chalmette, Louisiana

For the year ended June 30, 2023

Financial Report

*Thirty-Fourth Judicial District Office
of the Public Defenders*

Chalmette, Louisiana

For the year ended June 30, 2023

TABLE OF CONTENTS

Thirty-Fourth Judicial District Office of the Public Defenders

June 30, 2023

	<u>Page Numbers</u>
Financial Section	
Independent Auditor's Report	1 - 4
Management's Discussion and Analysis	5 - 9
Exhibits	
Basic Financial Statements:	
Government-Wide and Fund Financial Statements:	
A - Statement of Net Position and Governmental Fund Balance Sheet	10
B - Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
C - Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance	12
D - Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	13
E - Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	14
F - Notes to Financial Statements	15 - 31

TABLE OF CONTENTS (Continued)

	<u>Page Numbers</u>
Schedules	
Required Supplementary Information	
1 - Schedule of the Thirty-Fourth Judicial District of the Public Defenders' Proportionate Share of the Net Pension (Asset) Liability	32
2 - Schedule of the Thirty-Fourth Judicial District of the Public Defenders' Contributions	33
3 - Notes to Required Pension Supplementary Information	34
Supplementary Information Section	
4 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	35
Special Reports of Certified Public Accountants	
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 <i>Government Auditing Standards</i>	36 - 37
Schedule of Findings and Responses	38
Reports by Management	
Schedule of Prior Year Findings and Responses	39
Management's Corrective Action Plan on Current Year Findings	40
Statewide Agreed-Upon Procedures	
Independent Accountant's Report on Applying Agreed-Upon Procedures	41 - 42
5 - Schedule of Procedures and Associated Findings of the Statewide Agreed-Upon Procedures	43 - 59

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

To the Thirty-Fourth Judicial District
Office of the Public Defenders,
Chalmette, Louisiana.

Opinions

We have audited the accompanying financial statements of the governmental activities, and the General Fund of the Thirty-Fourth Judicial District Office of the Public Defenders (the “Office”), as of and for the year ended June 30, 2023 and related notes to the financial statements, which collectively comprise the Office’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Office as of June 30, 2023 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 Office's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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*, we:

- 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 Office'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Office's ability to continue as a going concern for a reasonable period of time.

We are 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 we 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 on pages 5 through 9, the Schedule of the Thirty-Fourth Judicial District Office of the Public Defenders Proportionate Share of the Net Pension (Asset) Liability and Schedule of the Thirty-Fourth Judicial District Office of the Public Defenders' Contributions on pages 32 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 operations, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, on page 35, is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513 (A)(3) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the Thirty-Fourth Judicial District Office of the Public Defenders' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 28, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Thirty-Fourth Judicial District Office of the Public Defenders

June 30, 2023

The Management's Discussion and Analysis of the Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") financial performance presents a narrative overview and analysis of the Office's financial activities for the year ended June 30, 2023. This document focuses on the current period's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Office's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the year ended June 30, 2023 by \$100,371 (net position), which represents a 5% increase as compared to the year ended June 30, 2022.

The Office's revenues for the year ended June 30, 2023 increased by \$182,824 (or 45%) as compared to the year ended June 30, 2022. This is principally due to an increase in state funds.

The Office's expenses for the year ended June 30, 2023 increased by \$18,646 (or 3%) as compared to the year ended June 30, 2022.

The Office did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Office's basic financial statements. The Office's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The basic financial statements include two kinds of statements that present different views of the Office:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Office's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Office's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating. The Statement of Activities presents information showing how the Office's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Office is to provide legal defense to indigents.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Office are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Office maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The Office adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 10 through 14 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Office's financial position. As of June 30, 2023, assets exceeded liabilities by \$100,371.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Dollar Change</u>
Current and other assets	\$ 87,528	\$74,979	\$ 12,549
Capital assets	314	852	(538)
Long-term assets	<u>-</u>	<u>61,392</u>	<u>(61,392)</u>
Total assets	<u>87,842</u>	<u>137,223</u>	<u>(49,381)</u>
Deferred outflows of resources	<u>40,469</u>	<u>7,441</u>	<u>33,028</u>
Current liabilities	23,334	1,607	21,727
Deferred inflows of resources	<u>4,606</u>	<u>47,523</u>	<u>(42,917)</u>
Total liabilities and deferred inflows of resources	<u>27,940</u>	<u>49,130</u>	<u>(21,190)</u>
Net position	<u>\$100,371</u>	<u>\$95,534</u>	<u>\$ 4,837</u>
Net position:			
Invested in capital assets	\$ 314	\$ 852	\$ (538)
Unrestricted	<u>100,057</u>	<u>94,682</u>	<u>5,375</u>
Total net position	<u>\$100,371</u>	<u>\$95,534</u>	<u>\$ 4,837</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities increased the Office's net position by \$4,837. Key elements of this decrease are:

Condensed Statements of Activities

	<u>For the Year Ended June 30, 2023</u>	<u>For the Year Ended June 30, 2022</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Revenues:				
Service fees	\$ 127,712	\$ 143,634	\$ (15,922)	(11)
State Revenue District Assistance Fund	448,509	249,540	198,969	80
Other	<u>11,525</u>	<u>11,748</u>	<u>(223)</u>	(2)
Total revenues	587,746	404,922	182,824	45
Expenses:				
General and governmental	<u>582,909</u>	<u>564,263</u>	<u>18,646</u>	3
Increase (decrease) in net position	4,837	(159,341)	164,178	(103)
Net position beginning of year	<u>95,534</u>	<u>254,875</u>	<u>(159,341)</u>	(63)
Net position end of year	<u>\$ 100,371</u>	<u>\$ 95,534</u>	<u>\$ 4,837</u>	5

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Office's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the current year. As of June 30, 2023, the Office's governmental funds reported a combined ending fund balance of \$84,711, a increase of \$11,339 in comparison with the year that is available for spending at the Office's discretion.

CAPITAL ASSETS

The Office’s investment in capital assets for its governmental activities as of June 30, 2023 and 2022 totaled to \$314 and \$852, (net of accumulated depreciation), respectively. This investment in capital assets as of June 30, 2023 and 2022 includes office furniture and office equipment (see table below).

	<u>2023</u>	<u>2022</u>
Office furniture, fixtures, and equipment	<u>\$18,104</u>	<u>\$18,104</u>

General Fund Budgetary Highlights

The budget was amended once during the year ended June 30, 2023. During the year ended June 30, 2023, revenues and expenditures were below budgetary estimates. Service fee revenue reported an unfavorable budget variance of \$7,890, while state revenue district assistance fund reported a favorable budget variance of \$15,516 and other income reported favorable budget variances of \$9,623. Materials and supplies reported an unfavorable budget variance of \$1,171 and library research reported a favorable variance of \$1,988. The Office reported a net favorable budget variance of \$16,573.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Office considered the following factors and indicators when setting next year’s budget, rates, and fees. These factors and indicators include:

- Revenues were budgeted on the assumption that service fees and grant fees would decrease in 2023.
- Expenses were budgeted based on the assumption that 2023 expenses would approximate 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Office’s finances for all those with an interest in the Office’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Public Defender of the Thirty-Fourth Judicial District Office of the Public Defenders, 2218 Jackson Blvd., Suite B, Chalmette, LA 70043.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
Assets			
Cash	\$48,550	\$ -	\$ 48,550
Due from other governmental units	38,978	-	38,978
Capital assets, net of accumulated depreciation	-	314	314
Total assets	87,528	314	87,842
Deferred Outflows of Resources			
	-	40,469	40,469
Total assets and deferred outflows of resources	\$87,528	40,783	128,311
Liabilities			
Accounts payable and accrued expenditures	\$ 2,817	-	2,817
Net pension liability	-	20,517	20,517
Total liabilities	2,817	20,517	23,334
Deferred Inflows of Resources			
	-	4,606	4,606
Total liabilities and deferred inflows of resources	2,817	25,123	27,940
Fund Balance/Net Position			
Fund balance - unassigned	84,711	(84,711)	-
Total liabilities and fund balance	\$87,528	(59,588)	27,940
Net position:			
Invested in capital assets		314	314
Unrestricted		100,057	100,057
Total net position		\$100,371	\$100,371

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

Fund Balance - Governmental Fund		\$ 84,711
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental fund.		
Governmental capital assets	\$18,104	
Less accumulated depreciation	<u>(17,790)</u>	314
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
		40,469
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Net pension liability		(20,517)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		
		<u>(4,606)</u>
Net Position of Governmental Activities		<u><u>\$100,371</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF
GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

	General Fund	Adjustments (Exhibit D)	Statement of Activities
Revenues			
Service fees:			
St. Bernard Parish Sheriff	\$127,712	\$ -	\$127,712
State Revenue District Assistance Fund:			
Louisiana Public Defender Board	448,509	-	448,509
Miscellaneous:			
Interest income	1,902	-	1,902
Other income	9,623	-	9,623
	<u>587,746</u>	<u>-</u>	<u>587,746</u>
Expenditures/Expenses			
General government:			
Materials and supplies	5,758	-	5,758
Personnel services and benefits	123,541	5,964	129,505
Other services and charges:			
Contractual services	430,752	-	430,752
Professional services	10,000	-	10,000
Office	1,720	-	1,720
Miscellaneous	4,636	-	4,636
Depreciation	-	538	538
	<u>576,407</u>	<u>6,502</u>	<u>582,909</u>
Excess of Revenue Over Expenditures	11,339	(11,339)	-
Change in Net Position	-	4,837	4,837
Fund Balance/Net Position			
Beginning of year	<u>73,372</u>	<u>22,162</u>	<u>95,534</u>
End of year	<u>\$ 84,711</u>	<u>\$15,660</u>	<u>\$100,371</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

Net Change in Fund Balance - Governmental Fund	\$11,339
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(538)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Pension expense	<u>(5,964)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 4,837</u></u>

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Service fees:				
St. Bernard Parish Sheriff	\$149,700	\$135,602	\$127,712	\$ (7,890)
State Revenue District Assistance				
Fund:				
Louisiana Public Defender Board	386,227	432,993	448,509	15,516
Interest income	2,200	1,931	1,902	(29)
Other income	-	-	9,623	9,623
Total revenues	538,127	570,526	587,746	17,220
Expenditures				
General government:				
Materials and supplies	3,975	4,587	5,758	(1,171)
Personnel services and benefits	131,252	124,221	123,541	680
Other services and charges:				
Contractual services	439,400	430,752	430,752	-
Professional services	16,500	10,000	10,000	-
Library and research	4,818	1,988	-	1,988
Office	1,200	1,752	1,720	32
Miscellaneous	4,300	3,754	4,636	(882)
Total expenditures/capital outlay	601,445	577,054	576,407	647
Excess of Revenue Over Expenditures (Expenditures Over Revenue)	(63,318)	(6,528)	11,339	\$ 16,573
Fund Balance				
Beginning of year	69,414	73,372	73,372	
End of year	\$ 6,096	\$ 66,844	\$ 84,711	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Thirty-Fourth Judicial District Office of the Public Defenders**

June 30, 2023

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Thirty-Fourth Judicial District Office of the Public Defenders (the “Office”) established in compliance with Louisiana Revised Statutes 15:146 et seq., provides counsel to represent indigents (needy individuals) in criminal, quasi-criminal, juvenile, municipal and traffic cases at the District Court level. The judicial district encompasses the Parish of St. Bernard, Louisiana. All duties and responsibilities for the management of the personnel, property, and funds will by virtue of Act 307 transfer to the Chief Public Defender who will then be referred to as District Public Defender. Revenues to finance the Office’s operations are derived from district assistance funds, court costs on fines imposed by the various courts within the district and other fees.

The accounting policies of the Thirty-Fourth Judicial District Office of the Public Defenders conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

The Office has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

In accordance with Act 307 of the Louisiana Legislature for the year 2007, the Office passed a resolution transferring all of its powers and duties to the District Public Defender as of August 15, 2007 and ceased to exist. This act does not alter the entity or any of its activities or functions, only the governance. The District Public Defender’s authority is contingent upon the approval of the Louisiana Public Defender Board, who appointed and may relieve the District Public Defender of his duties.

b. Basis of Presentation

The Office’s basic financial statements consist of the government-wide statements on all activities of the Office and the governmental fund financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Office. The government-wide presentation focuses primarily on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB Statement No. 34. Emphasis is now on major funds in governmental categories. The daily accounts and operations of the Office continue to be organized on the basis of a fund and account group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the Office:

General Fund - The General Fund is the general operating fund and is the only fund of the Office. It is used to account for all financial resources except those required to be accounted for in another fund.

c. Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Office considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Court costs on fines and forfeitures imposed by the Office and courts, reported as service fees, are recorded in the year they are collected by intermediate collectors. Fees from indigents are recorded when available. Interest income on cash balances is recorded as revenue when the income is available. Grants and miscellaneous revenues are recorded as revenues when received in cash by the Office because they are generally not measurable until actually received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Office adopted a budget for the General Fund. For budgets exceeding \$500,000, the budgetary practices include public notice of the proposed budget, public inspection and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the District Public Defender. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis of accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the basic financial statements.

f. Accounts Receivable

The financial statements of the Office contain no allowance for bad debts. Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectability of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

g. Capital Assets

The accounting treatment over property and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

In the government-wide financial statements, property and equipment is accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with cost less accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Office furniture, fixtures, and equipment	5 - 10 years
---	--------------

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

i. Pensions

For purposes of measuring the net pension asset or liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

j. Vacation and Sick Leave

The Office does not have a formal vacation and sick leave policy.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity

Government-Wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of June 30, 2023, there were no outstanding balances of debt.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Office’s policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2023 and for the year then ended, the Office did not have or receive restricted net assets.

Fund Financial Statements:

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable fund balance as of June 30, 2023.

Restricted - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted fund balance as of June 30, 2023.

Committed - amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed fund balance as of June 30, 2023.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity (Continued)

Fund Financial Statements: (Continued)

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purpose. There was no assigned fund balance as of June 30, 2023.

Unassigned - all other spendable amounts.

For classification of Governmental Fund balances, the Office considers expenditures to be made from the most restrictive first when more than one classification is available. The Office's fund balance as of June 30, 2023 totaled \$84,711, all of which was classified as unassigned.

l. New Pronouncements

During the year ended June 30, 2023, the Office implemented the following GASB Statements:

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement did not affect the financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New Pronouncements (Continued)

Statement No. 96, “*Subscription-based Information Technology Arrangements*” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement did not affect the financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Subsequent Events

The Office evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 28, 2023, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The bank balances as of June 30, 2023 are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 53,686</u>	<u>\$ 48,550</u>

Custodial credit risk is the risk that in the event of a bank failure, the Office's deposits may not be returned to it. The Office has a written policy for custodial credit risk. As of June 30, 2023, the Office's bank balances of \$53,686 were fully insured by federal deposit insurance.

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2023, consisted of the following:

St. Bernard Parish Sheriff	\$10,374
Louisiana Public Defenders Board	<u>28,604</u>
Total	<u><u>\$38,978</u></u>

The amount due from the St. Bernard Parish Sheriff is for fines and fees collected.

Note 4 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets being depreciated:				
Office furniture, fixtures, and equipment	\$18,104	\$ -	\$ -	\$18,104
Less accumulated depreciation for:				
Office furniture, fixtures, and equipment	<u>(17,252)</u>	<u>(538)</u>	<u>-</u>	<u>(17,790)</u>
Total capital assets, net	<u>\$ 852</u>	<u>\$(538)</u>	<u>\$ -</u>	<u>\$ 314</u>

Note 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2023, consisted of the following:

Salaries and benefits	<u>\$2,817</u>
-----------------------	----------------

Note 6 - 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:	
Grants	\$448,509
Local government:	
Statutory fines, fees, court costs, and other	127,712
Interest income	1,902
Other income	<u>9,623</u>
Total revenues	<u><u>\$587,746</u></u>
 Expenditures:	
Operating costs:	
Supplies	\$ 5,758
Salaries	100,380
Payroll taxes	7,678
Insurance	7,904
Retirement contributions	7,529
Contract services - attorney/legal	430,752
Contract services - other	10,000
Office	1,720
Miscellaneous	<u>4,686</u>
Total expenditures	<u><u>\$576,407</u></u>

Note 7 - PENSION PLAN

Plan Description. The Office contributes to Plan B of the System, a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the “regular plan” and the “supplemental plan”. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

Note 7 - PENSION PLAN (Continued)

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of credible service, retire at age 60 after completing ten years of credible service or retire at age 65 after completing seven years of credible service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing ten years of service or retire at age 67 after completing seven years of service. Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The election to participate in DROP is irrevocable once participation begins. The monthly retirement benefits are paid into the DROP Fund. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with five or more years of credible service who becomes disabled may receive disability benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with seven or more years of credible service who become disabled may receive disability benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the Louisiana State Legislature.

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the plan year ending December 31, 2022, the actuarial employer contribution rate was 4.93% of member's compensation. However, the actual rate for the plan year ending December 31, 2022 was 7.50%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the Office were \$7,529 for the year ended June 30, 2023.

Note 7 - PENSION PLAN (Continued)

Pension Liability. As of June 30, 2023, the Office reported a liability of \$20,517 for its proportionate share of the total net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of December 31, 2022, the Office's proportion was 0.08619%, which was an decrease of 0.02367% from its proportion measured as of December 31, 2021.

Pension Expense. For the year ended June 30, 2023, the Office recognized pension expense of \$9,728.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2023, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 427	\$ (4,115)
Change in assumptions	967	-
Net difference between projected and actual earnings on pension plan investments	32,274	-
Changes in proportionate share	2,990	(491)
Contributions subsequent to the measurement date	<u>3,811</u>	<u>-</u>
Totals	<u>\$ 40,469</u>	<u>\$ (4,606)</u>

Note 7 - PENSION PLAN (Continued)

The Office reported \$3,811 as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending July 30,	Amount
2024	\$ 636
2025	5,525
2026	11,642
2027	14,249
Total	\$32,052

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022 are as follows:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Method
Actuarial Assumptions: Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected Salary Increases	4.25%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

Note 7 - PENSION PLAN (Continued)

Cost of Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.00%	1.17%
Equity	51.00%	3.58%
Alternatives	14.00%	0.73%
Real assets	2.00%	0.12%
Totals	100.00%	5.60%
Inflation		2.10%
Expected arithmetic nominal rate		7.70%

Note 7 - PENSION PLAN (Continued)

Discount Rate. The discount rate used to measure the collective pension asset was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System’s Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Office’s Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the Office’s proportionate share of the collective net pension (asset) liability using the discount rate of 6.40%, as well as what the Office’s proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1% point lower (5.40%) or 1% point higher (7.40%) than the current rate:

	1.0% Decrease 5.40%	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
District's proportionate share of the net pension (asset) liability	\$66,401	\$20,517	\$ (17,886)

Pension Plan Fiduciary Net Position. The Parochial Employees’ Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2022. Access to the audit report can be found on the System’s website, www.persla.org or on the Louisiana Legislative Auditor’s website, www.la.gov.

Note 8 - RISK MANAGEMENT

The Office is exposed to various risks to loss related to torts, theft or, damage to and destruction of assets, errors and omissions, and natural disasters, for which the Office carries commercial insurance through an intergovernmental Cooperative Endeavor Agreement between the St. Bernard Parish Government and the Office. Liabilities are reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated.

Note 9 - CONTRACTUAL SERVICES

For the year ended June 30, 2023, the District Public Defender was the only employee. As a result, all defense attorneys were contracted for their services.

Note 10 - EXPENDITURES NOT INCLUDED IN ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the Office which are paid out of the funds of the St. Bernard Parish Government and other governmental entities. These expenditures include salaries, insurance, telephone, utilities, and other operating expenditures of the Office.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE THIRTY-FOURTH JUDICIAL DISTRICT
OF THE PUBLIC DEFENDERS' PROPORTIONATE
SHARE OF THE NET PENSION (ASSET) LIABILITY

Thirty-Fourth Judicial District
Office of the Public Defenders

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Office's proportion of the net pension liability	<u>0.0862%</u>	<u>0.1099%</u>	<u>0.0632%</u>	<u>0.0846%</u>	<u>0.0899%</u>	<u>0.0927%</u>	<u>0.0944%</u>	<u>0.9440%</u>
Office's proportionate share of the net pension liability (asset)	<u>\$20,517</u>	<u>(\$61,392)</u>	<u>(\$16,220)</u>	<u>(\$6,122)</u>	<u>\$27,254</u>	<u>(\$8,684)</u>	<u>\$12,254</u>	<u>\$12,254</u>
Office's covered-employee payroll	<u>\$100,380</u>	<u>\$100,380</u>	<u>\$100,380</u>	<u>\$94,266</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>
Office's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>20.5170%</u>	<u>-61.3920%</u>	<u>-16.2200%</u>	<u>-6.5128%</u>	<u>28.9936%</u>	<u>-9.2380%</u>	<u>13.0362%</u>	<u>13.0360%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.2600%</u>	<u>110.4600%</u>	<u>104.0000%</u>	<u>102.0500%</u>	<u>91.9300%</u>	<u>104.0200%</u>	<u>94.1500%</u>	<u>94.1500%</u>

The schedule is provided beginning with the Office's year ended December 31, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE THIRTY-FOURTH JUDICIAL DISTRICT
OF THE PUBLIC DEFENDERS' CONTRIBUTIONS**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 7,529	\$ 7,529	\$ 7,529	\$ 7,070	\$ 7,050	\$ 7,285	\$ 7,520	\$ 7,990
Contributions in relation to the contractually required contribution	<u>(7,529)</u>	<u>(7,529)</u>	<u>(7,529)</u>	<u>(7,070)</u>	<u>(7,050)</u>	<u>(7,285)</u>	<u>(7,520)</u>	<u>(7,990)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Office's covered-employee payroll	<u>\$100,380</u>	<u>\$100,380</u>	<u>\$100,380</u>	<u>\$94,266</u>	<u>\$ 94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>	<u>\$94,000</u>
Contributions as a percentage of covered - employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.75%</u>	<u>8.00%</u>	<u>8.50%</u>

The schedule is provided beginning with the Office's year ended December 31, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

**NOTES TO REQUIRED PENSION
SUPPLEMENTARY INFORMATION**

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2023

- Note 1** - The amounts presented on the Schedule of the Public Defender's Proportionate Share of Net Pension Liability and Schedule of Thirty-Fourth Judicial District Office of the Public Defenders' Contributions have a measurement date of the previous fiscal year end.
- Note 2** - GASB 68 requires the Schedule of the Public Defender's Proportionate Share of Net Pension Liability to show information for ten years. The Thirty-Fourth Judicial District Office of the Public Defenders implemented GASB 68 in its 2015 fiscal year therefore; additional years will be displayed as they become available in the future.

SUPPLEMENTARY INFORMATION SECTION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Thirty-Fourth Judicial District
Office of the Public Defenders**

For the year ended June 30, 2023

Agency Head Name: Thomas H. Gernhauser, District Public Defender

Purpose

Salary	\$100,380
Benefits - insurance	7,592
Benefits - retirement	7,529
Benefits - other (malpractice insurance)	2,103
Car allowance	-
Per diem	-
Reimbursements	-
Travel	2,787
Registration fees	760
Conference travel	-
Continuing professional education fees	-
Special meals	-
	<hr/>
	<u>\$121,151</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANT

**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 Board of Commissioners,
Thirty-Fourth Judicial District Office of the Public Defenders,
Chalmette, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Office's financial statements and have issued our report thereon dated December 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office’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 Office’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
December 28, 2023.

SCHEDULE OF FINDINGS AND RESPONSES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2023

Section I - Summary of Auditor’s Review Report

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

a) Financial Statements

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2023.

Section II - Internal Control Over Basic Financial Reporting and Compliance and Other Matters Material to the Basis Financial Statements

Internal Control Over Basic Financial Reporting

No findings were reported during the audit of the basic financial statements for the year ended June 30, 2023.

Compliance and Other Matters

No findings were reported during the audit of the basic financial statements for the year ended June 30, 2023.

Section III - Federal Award Findings and Questioned Cost

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2023.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2023

Section I - Internal Control Over Basic Financial Reporting and Compliance and Other Matters Material to the Basis Financial Statements

Internal Control Over Basic Financial Reporting

No findings were reported during the review of the basic financial statements for the year ended June 30, 2022.

Compliance and Other Matters

No findings were reported during the review of the basic financial statements for the year ended June 30, 2022.

Section II - Federal Award Findings and Questioned Cost

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2022.

Section III - Management Letter

A management letter was not issued in connection with the review of the financial statements for the year ended June 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2023

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basis Financial Statements**

Internal Control Over Financial Reporting

No findings were reported during the audit of the basic financial statements for the year ended June 30, 2023.

Compliance and Other Matters

No findings were reported during the audit of the basic financial statements for the year ended June 30, 2023.

Section II - Federal Award Findings and Questioned Cost

The Thirty-Fourth Judicial District Office of the Public Defenders did not expend more than \$750,000 in Federal awards during the year ended June 30, 2023.

Section III - Management Letter

A management letter was not issued in connection with the audit of the basis financial statements for the year ended June 30, 2023.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Thirty-Fourth Judicial District Office of the Public Defenders,
Chalmette, Louisiana.

We have performed the procedures described in Schedule 5 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. Thirty-Fourth Judicial District Office of the Public Defenders (the "Office") management is responsible for those C/C areas identified in the SAUPs.

The Office 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 the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 5.

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

We are required to be independent of the Office and to meet our 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 result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, Louisiana,
December 28, 2023.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Thirty-Fourth Judicial District Office of the Public Defenders

For the year ended June 30, 2023

The required procedures and our findings are as follows:

1. Procedures Performed on the Office's Written Policies and Procedures:

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

i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

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

Exceptions: There were no exceptions noted.

ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

Exceptions: There were no exceptions noted.

iii. Disbursements, including processing, reviewing, and approving.

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

Exceptions: There were no exceptions noted.

iv. 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.

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

Exceptions: There were no exceptions noted.

1. Procedures Performed on the Office's Written Policies and Procedures: (Continued)

- v. 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.

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

Exceptions: There were no exceptions noted.

- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- viii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

Not applicable as the Office cannot issue debt.

1. Procedures Performed on the Office's Written Policies and Procedures: (Continued)

- xi. 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.

Performance: Obtained and read the information technology disaster recovery/business continuity policy and found it to address all of the functions listed above.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

2. Procedures Performed on the Office's Board:

- A. 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:

- i. 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, or other equivalent document.

Performance: The Office does not have a board; therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparison on the General Fund.

Performance: The Office does not have a board; therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

- iii. 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 unrestricted fund balance in the General Fund.

Performance: The Office does not have a board; therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

2. Procedures Performed on the Office's Board: (Continued)

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: The Office does not have a board; therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

3. Procedures Performed on the Office's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter that the listing is complete. The main account was subject to the statewide agreed-upon procedures.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the selected monthly bank reconciliation for the month of October for the main operating bank account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the Office's documentation for the October bank reconciliations for the main bank account and noted no evidence of initial or date that the procedure was performed, but the District Defender has confirmed that this procedure is performed monthly.

Exceptions: There were no exceptions noted.

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

Performance: Inspected documents for items outstanding for more than 12 months. We noted multiple outstanding longer than 12 months as of the end of the fiscal period. Discussed with management regarding the multiple outstanding reconciling items. Management confirmed they are actively following up on all outstanding reconciling items older than 12 months.

Exceptions: There were no exceptions noted.

4. Procedures Performed on the Office's Collections (Excluding Electronic Funds Transfers):

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

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing and verified procedures were performed by examining transaction documentation.

Exceptions: There were no exceptions noted.

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

Performance: Obtained written documentation and determined that the secretary is the person responsible for collecting cash that is then handed to the office administrator to be put in a locked box. When the secretary is out of the office the office administrator is in charge of collecting cash. Mitigating controls are in place in which the District Defender reviews the bank reconciliations, bank statement, the deposited items, and disbursements monthly. A majority of the receipts are in the form of wires received from the Louisiana Public Defender Board, monthly checks received from the local Sheriff for fines, court cost, and fees collected by the Sheriff, and checks received periodically from the local District Attorney for bond forfeitures collected by the District Attorney. The remaining funds collected are in the form of money orders collected from indigent. These funds are not material to the funds collected as a whole.

Exceptions: There were no exceptions noted.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Obtained written documentation and determined that the person responsible for collecting cash is responsible for depositing cash and reconciling the related bank account. Mitigating controls are in place in which the District Defender reviews the bank reconciliations, bank statements, the deposited items, and disbursements monthly. The funds collected in the office are not material to the funds collected as a whole.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the Office's Collections (Excluding Electronic Funds Transfers):
(Continued)**

- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee is responsible for reconciling ledger postings to each other and to the deposit.

Performance: Obtained written documentation and determined that the person responsible for collecting cash is responsible for recording the related transaction. Mitigating controls are in place in which the District Defender reviews the bank reconciliation, bank statement, deposited items, and disbursements monthly.

Exceptions: There were no exceptions noted.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Performance: Obtained written documentation and determined that the person responsible for collecting cash is responsible for recording the related transaction and reconciling the related bank account. Mitigating controls are in place in which the District Defender reviews the bank reconciliation, bank statement, deposited items, and disbursements monthly.

Exceptions: There were no exceptions noted.

- C. 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 in force during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft covering all employees who have access to cash. Observed that the insurance policy for theft was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select 2 deposit dates for each of the Office's bank accounts selected for procedures under "Procedures Performed on the Office's Bank Reconciliations" #3A. Obtain supporting documentation for each of the deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.

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

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

**4. Procedures Performed on the Office's Collections (Excluding Electronic Funds Transfers):
(Continued)**

iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

Exceptions: There were no exceptions noted.

iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Inquired with the District Defender that collections are deposited daily.

Exceptions: There were no exceptions noted.

v. Trace the actual deposit per the bank statement to the general ledger.

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

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Office's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

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

Performance: Obtained a listing of locations that process payments for the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Selected the sole location for testing.

Exceptions: There were no exceptions noted.

B. For each location selected under procedure #5A 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 Office has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Office's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

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

Performance: The Office does not currently have a formal system to initiate purchases. A majority of the expenses are for payroll and contracts. The remaining expenses are small in nature, a purchase system is not deemed cost effective. For these expenditures, the District Defender reviews all purchase requests to determine the need and cost. The invoices are then reviewed and stamped "approved" by the District Defender only before disbursement is made by check.

Exceptions: There were no exceptions noted.

- ii. At least 2 employees are involved in processing and approving payments to vendors.

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- iii. The employees responsible for processing payments are prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Obtained a listing of employees involved in processing payments to vendors. Due to only one office personnel using the account software, this person both processes payments and adds vendors as needed. As a mitigating control, all checks and purchases and any new vendors are approved by the District Defender.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved with signing and mailing checks.

Due to only one office personnel using the account software, this person both processes payments and mails checks. All checks and purchases are approved and signed by the District Defender then handed to the office personnel in charge of the accounting software to mail. As a mitigating control, the District Defender reviews all bank statements, including cancelled checks, and reconciliations monthly.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees/officials authorized to sign checks and verified they approve the electronic disbursements of funds.

Exceptions: There were no exceptions noted.

5. Procedures Performed on the Office's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

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

Performance: Obtained the Office's non-payroll disbursement transaction population and received management's representation in a separate letter that the population is complete. Selected 5 disbursements from the sole location that processes payment for testing.

Exceptions: There were no exceptions noted.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Office.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and documentation indicates deliverables were received.

Exceptions: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Office's main operating account and the month selected for procedures #3A under "Procedures Performed on the Office's Bank Reconciliations", randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- i. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the Office's policy.

Performance: Observed that 5 disbursements included evidence of approval by authorized persons.

Exceptions: There were no exceptions noted.

- ii. Approved by the required number of authorized signers per the Office's policy.

Performance: Observed the 5 disbursements included evidence of approval by required number of authorized signers.

Exceptions: There were no exceptions noted.

6. Procedures Performed on the Office's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

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

Performance: Inquired of management about a listing of active credit cards, bank debit cards, fuel cards, and P-cards. The Office does not have any credit cards, therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, 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, select one monthly bank statement). Obtain supporting documentation, and:

- i. 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Performance: The Office does not have any credit cards, therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and/or late fees were not assessed on the selected statements.

Performance: The Office does not have any credit cards, therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, 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 inspection).

For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: The Office does not have any credit cards, therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

Performance: The Office does not have any credit cards, therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

**6. Procedures Performed on the Office's Credit Cards, Debit Cards, Fuel Cards, P-Cards:
(Continued)**

iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: The Office does not have any credit cards, therefore, this step is not applicable.

Exceptions: There were no exceptions noted.

7. Procedures Performed on the Office's Travel and Travel-Related Expense Reimbursements:

A. 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:

Performance: Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Obtained the related expense reimbursement form and supporting documentation for 5 reimbursements.

Exceptions: There were no exceptions noted.

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

Performance: Per diem was used for 2 of the 5 selected reimbursements. Agreed the reimbursement rate for the 2 selected reimbursements using a per diem rate to those rates established by the U.S. General Services Administration.

Exceptions: There were no exceptions noted.

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

Performance: Actual costs were used for 3 of the 5 selected reimbursements. Observed that the 3 reimbursements using actual cost were supported by an original itemized receipt that identified precisely what was purchased.

Exceptions: There were no exceptions noted.

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

Performance: Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by written policy procedure #1A(vii).

Exceptions: There were no exceptions noted.

**7. Procedures Performed on the Office's Travel and Travel-Related Expense Reimbursements:
(Continued)**

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

Performance: Observed that reimbursements are not reviewed and approved, in writing, by someone other than the person that received the reimbursement. As a mitigating control, all reimbursements to the District Defender are processed by the office administrator. The office administrator processes and prepares the reimbursement check after reviewing all receipts and reimbursement forms.

Exceptions: There were no exceptions noted.

8. Procedures Performed on the Office's Contracts:

- A. 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. Obtain management's representation in a separate letter 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:

Performance: Obtained 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, and received management's representation in a separate letter that the listing is complete. Selected 5 contracts for testing.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the contracts selected were not required to be bid in accordance with Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the contract policy of the Office noting the District Defender is responsible for approving and reviewing all contracts. Noted the District Defender reviewed and approved all contracts selected.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment were made in compliance with the contract terms.

Performance: Observed that the contracts selected were not amended.

Exceptions: There were no exceptions noted.

8. Procedures Performed on the Office's Contracts: (Continued)

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

Performance: Obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

9. Procedures Performed on the Office's Payroll and Personnel:

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

Performance: Obtained a listing of employees employed during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. The District Defender is the only employee the Office has. Obtained related paid salaries and personnel files and agreed paid salaries to authorized salaries/pay rates in the personnel files.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Randomly selected one pay period to test leave taken during that period. Inspected daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

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

Performance: Inquired with the District Defender that all timesheets are sent to the Louisiana Public Defender Board's Auditor for review.

Exceptions: There were no exceptions noted.

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

Performance: Observed that any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were no exceptions noted.

9. Procedures Performed on the Office's Payroll and Personnel: (Continued)

iv. Observe that the rate paid to the employees agrees to the authorized salary/pay rate found within the personnel file.

Performance: Agreed the pay rates to authorized salary/pay rates maintained in employee files.

Exceptions: There were no exceptions noted.

C. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Office's policy on termination payments. Agree the hours to the employees' cumulative leave records and agree the pay rates to the employees' authorized pay rates in the employees' personnel files and agree the termination payments to the Office's policy.

Performance: Obtained a listing of those employees that received termination payments during the fiscal period from management, and received management's representation in a separate letter that the listing is complete. Noting no employees were terminated in the fiscal year.

Exceptions: There were no exceptions noted.

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

Performance: Obtained management's representation that employer and employee portions of third-party payroll accounts have been paid, and any associated forms have been filed by the required deadlines.

Exceptions: There were no exceptions noted.

10. Procedures Performed on the Office's Ethics:

A. Using the 5 selected employees/officials from Payroll and Personnel procedure #9A under "Procedures Performed on the Office's Payroll and Personnel". obtain ethics compliance documentation from management and:

i. Observe whether the documentation demonstrates each employee completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

Performance: Inspected personnel files and ethics course completion certificates for the employees selected.

Exceptions: There were no exceptions noted.

ii. Observe whether the Office maintains documentation which demonstrates each employee was notified of any changes to the Office's ethics policy during the fiscal period, as applicable.

Performance: There were no changes to the ethics policy during the year.

Exceptions: There were no exceptions noted.

10. Procedures Performed on the Office's Ethics: (Continued)

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

Performance: We inquired and received representation as to whether the Office appointed an ethics designee.

Exceptions: There were no exceptions noted.

11. Procedures Performed on the Office's Debt Service:

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable as the Office cannot issue debt.

- B. 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.

Not applicable as the Office cannot issue debt.

12. Procedures Performed on the Office's Fraud Notice:

- A. 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 Office reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Office is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter; none were noted.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. The Office does not have a website to post the fraud notice.

Exceptions: There were no exceptions noted.

**13. Procedures Performed on the Office's Information Technology Disaster Recovery/
Business Continuity:**

A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

i. Obtain and inspect the Office'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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

ii. Obtain and inspect the Office'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 three months.

Performance: We performed the procedure and discussed the results with management.

iii. Obtain a listing of the Office'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.

Performance: We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: The Office had no terminated employees in the fiscal year.

Exceptions: There were no exceptions noted.

14. Procedures Performed on the Office's Prevention of Sexual Harassment:

A. Using the 5 randomly selected employees/officials from procedure #9A under "Procedures Performed on the Office's Payroll and Personnel", obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Observed sexual harassment training documentation for the employee selected.

Exceptions: There were no exceptions noted.

14. Procedures Performed on the Office's Prevention of Sexual Harassment: (Continued)

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

Performance: Observed the sexual harassment policy and complaint procedure was posted on the Office premises. The Office does not have a website to post the sexual harassment policy and complaint procedure.

Exceptions: There were no exceptions noted.

- C. Obtain the Office'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:

- i. Number and percentage of public servants in the Office who have completed the training requirements.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- ii. Number of sexual harassment complaints received by the Office.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- v. Amount of time it took to resolve each complaint.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

There were no exceptions noted.