

**TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana**

Financial Report

Year Ended June 30, 2023

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## INDEPENDENT AUDITORS' REPORT

Mr. Richard Tompson, District Defender  
Twenty-Fourth Judicial District Public Defender Office  
Jefferson Parish, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of the Twenty-Fourth Judicial District Public Defender Office as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Public Defender 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 major fund of the Twenty-Fourth Judicial District Public Defender Office as of June 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Twenty-Fourth Judicial District Public Defender Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *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 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 Twenty-Fourth Judicial District Public Defender Office's ability to continue as a going concern for twelve months beyond the

financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' 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 auditors' report that includes our opinions. 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 Twenty-Fourth Judicial District Public Defender 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 Twenty-Fourth Judicial District Public Defender 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 budgetary comparison information, schedule of employer's share of net pension liability, the schedule of employer contributions, and the notes to the required supplementary information on pages 37 through 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the

basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Twenty-Fourth Judicial District Public Defender Office's basic financial statements. The Justice System Funding Reporting Schedule (reporting schedule) was created by Act 87 of the Louisiana 2020 Regular Legislative Session. This reporting schedule is presented for the purposes of additional analysis 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the reporting schedule 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 November 10, 2023, on our consideration of the Twenty-Fourth Judicial District Public Defender Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Twenty-Fourth Judicial District Public Defender Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Twenty-Fourth Judicial District Public Defender Office's internal control over financial reporting and compliance.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
November 10, 2023

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest bearing deposits	\$ 1,763,908
Due from other governmental units	20,118
Prepaid items	<u>17,538</u>
Total current assets	1,801,564
Noncurrent assets:	
Capital assets, net of depreciation	<u>334,984</u>
Total assets	<u>2,136,548</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>80,207</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and other payables	18,125
Lease payable	<u>53,264</u>
Total current liabilities	<u>71,389</u>
Noncurrent liabilities:	
Accrued annual and sick leave payable	15,288
Net pension liability	64,171
Lease payable	<u>299,024</u>
Total noncurrent liabilities	<u>378,483</u>
Total liabilities	<u>449,872</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,299</u>
<b>NET POSITION</b>	
Net investment in capital assets	(17,304)
Unrestricted	<u>1,776,888</u>
Total net position	<u>\$ 1,759,584</u>

The accompanying notes are an integral part of the basic financial statements.



TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Statement of Activities  
For the Year Ended June 30, 2023

	<u>Governmental Activities</u>
Expenses	
General Government	
Attorney Fees	\$ 3,236,686
Salaries and related benefits	214,178
Other professional services	170,470
Operating services	174,465
Office supplies and expenses	<u>25,839</u>
Total program expenses	<u>3,821,638</u>
Program Revenues	
Charges for services - court costs, fines, forfeitures, etc	1,889,565
Operating grants and contributions	<u>1,880,509</u>
Total program revenues	<u>3,770,074</u>
Net program revenue	<u>(51,564)</u>
General Revenues	
Nonemployer contributions	1,554
Interest earnings	100,686
Other	<u>35,738</u>
Total general revenues	<u>137,978</u>
Change in net position	86,414
Beginning net position	<u>1,673,170</u>
Ending net position	<u>\$ 1,759,584</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUND**

### **MAJOR FUND**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Balance Sheet - Governmental Fund  
General Fund  
June 30, 2023

ASSETS

Assets:	
Cash and interest bearing deposits	\$ 1,763,908
Due from other governmental units	20,118
Prepaid items	<u>17,538</u>
 Total assets	 <u>\$ 1,801,564</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 4,175
Payroll liabilities	<u>13,950</u>
 Total liabilities	 <u>18,125</u>
Fund balance:	
Nonspendable	17,538
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>1,765,901</u>
 Total fund balance	 <u>1,783,439</u>
 Total liabilities and fund balance	 <u>\$ 1,801,564</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2023

Total fund balance for the governmental fund		\$ 1,783,439
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, net of \$74,647 of accumulated depreciation	\$ 2,378	
Right-of-use asset, net of \$230,265 of accumulated amortization	<u>332,606</u>	334,984
The deferred outflows of expenditures are not a use of current resources, and are therefore not reported in the funds:		
Pension plan		80,207
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:		
Compensated absences	\$ (15,288)	
Net pension liability	(64,171)	
Lease liability	<u>(352,288)</u>	(431,747)
The deferred inflows of contributions are not available resources, and are therefore not reported in the funds:		
Pension plan		<u>(7,299)</u>
Total net position of governmental activities at June 30, 2023		<u>\$ 1,759,584</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Governmental Fund  
For the Year Ended June 30, 2023

Revenues:

Fees, charges, and commissions for services -	
Court costs	\$ 1,457,693
Bail bond forfeitures and license fees	378,652
Application fees	40,378
Criminal justice bond fee	12,842
Intergovernmental revenues -	
Louisiana Public Defender Board	1,842,009
Drug, DWI and Veterans court programs	38,500
Interest earnings	100,686
Miscellaneous	<u>35,738</u>
 Total revenues	 <u>3,906,498</u>

Expenditures:

Current -	
General government	
Attorney fees	3,236,686
Salaries and related benefits	189,514
Other professional services	170,470
Operating services	172,321
Office supplies and expenses	<u>25,839</u>
 Total expenditures	 <u>3,794,830</u>

Net change in fund balance	111,668
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Beginning fund balance	<u>1,671,771</u>
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Ending fund balance	<u>\$ 1,783,439</u>
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The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2023

Total net change in fund balance for the year ended June 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 111,668
The change in net position reported for governmental activities in the statement of activities is 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/amortization expense.		
Depreciation expense	\$ (1,646)	
Amortization expense	<u>(51,170)</u>	(52,816)
Expenses not requiring the use of current financial resources and, therefore, not reported as expenditures in the governmental funds		
Net change in compensated absences payable	\$ (3,929)	
Net change in lease liability	50,672	
Net change in net pension liability and related deferreds	<u>(19,181)</u>	<u>27,562</u>
Total change in net position for the year ended June 30, 2023 per Statement of Activities		<u>\$ 86,414</u>

The accompanying notes are an integral part of the basic financial statements.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Twenty-Fourth Judicial District Public Defender Office (Public Defender Office) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed below.

The accounting and reporting policies of the Public Defender Office conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

On August 15, 2007, Act 307 of the 2007 Louisiana Legislative Session transferred all the duties, functions, and powers of state Indigent Defender Boards to separate and individual District Public Defenders and their offices. District public defenders provide counsel to represent indigents in criminal cases at the district court level. The judicial district encompasses Jefferson Parish, Louisiana.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the public defender office is part of the district court system of the State of Louisiana. However, the state statutes that create the public defender office also give each district defender control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Therefore, the public defender's office reports as an independent reporting entity and the financial statements include only the transactions of the Twenty-Fourth Judicial District Public Defender Office as authorized by Louisiana statutes and administrative regulations. The Public Defender Office has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the only fund of the reporting entity which is the General Fund. The Public Defender Office has no business-type activities.

The statement of activities presents a comparison between program revenues of the Public Defender Office and the cost of the function. Direct expenses are those



TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The accounts of the Public Defender Office are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements.

The only fund of the Public Defender Office is classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Public Defender Office or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The fund of the Public Defender Office which is considered to be a major fund is described below:

Governmental Fund –

General Fund

The General Fund is the only fund of the Public Defender Office's office and accounts for the operations of the Public Defender Office's office. The Public Defender Office's primary source of revenue is court costs on fines imposed by the various courts within the district. Other sources of revenue include forfeitures, operating grants from the Louisiana Public Defender Board and other court programs. General operating expenditures are paid from this fund.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized as soon as they are both “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Public Defender Office’s policy to use restricted resources first, then unrestricted resources as they are needed.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

Cash includes amounts in an interest-bearing demand deposit account. Under state law, funds may be deposited into demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are recorded at either historical cost or estimated historical cost if historical cost is not available and are depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives: 5 years on office furniture, equipment and computers; 10 years on telephone system. Depreciation is an allocated expense in the Statement of Activities, with Accumulated Depreciation reflected in the Statement of Net Position. The Defender's threshold for capitalization is \$1,000. 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.

Compensated Absences (Vacation and Sick Leave)

Full-time employees of the public defender's office earn and accumulate vacation and sick leave at various rates, depending on their length of service. All full-time employees may carry a maximum of 90 days of unused vacation leave from one calendar year to another. Upon separation from employment, and provided that certain conditions have been met as set forth in policy adopted by the public defender's office, employees are paid for all unused vacation leave at the hourly rates in effect at the time of separation from employment for each applicable employee.

All full-time employees earn one-half day of sick leave each biweekly pay period worked. There is no limit on the amount of sick leave that may be accumulated and carried forward from one year to the next. Upon separation from employment, employees who were hired before April 26, 1986, receive compensation for one-half of all unused sick leave remaining at the time of separation. Employees hired on or after April 26, 1986, receive compensation for no more than 40 days (280 hours) of unused sick leave.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as an expense in the current year.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenue, respectively.

Equity Classifications

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

- a. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position: consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position: Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

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

**Nonspendable:** These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted:** These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed:** These are amounts that can be used only for specific purposes determined by a formal action of the public defender's office. The public defender's office is the highest level of decision making authority for the public defender's office. Commitments may be established, modified, or rescinded by the public defender's office.

**Assigned:** These are amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes.

TWENTY-FOURTH JUDICIAL DISTRICT  
 PUBLIC DEFENDER OFFICE  
 Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

Under its adopted policy, only the Public Defender may assign amounts for specific purposes.

Unassigned: These are all other spendable amounts.

	General Fund
Nonspendable (prepaid items)	\$ 17,538
Restricted	-
Committed	-
Assigned	-
Unassigned	1,765,901
 Total	 \$ 1,783,439

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Public Defender's office considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Public Defender's office considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Public Defender's office has provided otherwise in his commitment or assignment actions.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items. The prepaid items that existed at June 30, 2023 were prepaid insurance.

F. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Public Defender's Office may deposit funds within a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Public Defender's Office may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Public Defender's Office has cash (book balances) totaling \$1,763,908.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the Public Defender's Office's deposits may not be returned to it. The Public Defender's Office's policy, by state law, is that all deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2023 are secured as follows:

Bank balances	<u>\$ 1,778,879</u>
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At June 30, 2023 the deposits are secured as follows:

Federal deposit insurance	<u>\$ 1,778,879</u>
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As of June 30, 2023, no deposits were exposed to custodial credit risk as they were fully insured by federal deposit insurance. The Public Defender Office does not have a formal policy for custodial credit risk.

(3) Changes in Capital Assets

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

	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023
Equipment	\$ 77,025	\$ -	\$ -	\$ 77,025
Less: accumulated depreciation	<u>(73,001)</u>	<u>(1,646)</u>	<u>-</u>	<u>(74,647)</u>
Depreciable capital assets, net	<u>4,024</u>	<u>(1,646)</u>	<u>-</u>	<u>2,378</u>
Intangible right-of-use asset	\$ 562,871	\$ -	\$ -	\$ 562,871
Less: accumulated amortization	<u>(179,095)</u>	<u>(51,170)</u>	<u>-</u>	<u>(230,265)</u>
Intangible assets, net	<u>383,776</u>	<u>(51,170)</u>	<u>-</u>	<u>332,606</u>
Capital assets, net	<u>\$ 387,800</u>	<u>\$ (52,816)</u>	<u>\$ -</u>	<u>\$ 334,984</u>

Depreciation expense of \$1,646 and amortization expense of \$51,170 for the year ended June 30, 2023 were charged to general government in the statement of activities.

(4) Leases

The office building occupied by the Public Defender is leased from a third party. The original term of this lease is from January 1, 2019 to December 31, 2024. The Public Defender has agreed to pay monthly rental expense in the amount of \$4,675 payable in advance on or before the first day of

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

requirements are met, the Public Defender shall have the right to renew this lease for an additional term of five years at a rate of \$5,100 per month.

The Public Defender recognizes a right-of-use asset of \$562,871 which was measured as the amount of the initial measurement of the lease liability. The asset is amortized in a systematic and rational manner over the lease term. See Note 3 for the accumulated amortization of the right-of-use asset.

The Public Defender recognized a lease liability at June 30, 2022 in the amount of \$402,960. Measurement of the lease liability was determined based on the present value of payments expected to be made during the lease term discounted at a five-percent interest rate, which is an estimated incremental borrowing rate. The Public Defender made principal payments on the lease liability in the amount of \$50,672 for the year ended June 30, 2023, which reduced the lease liability to \$352,288 at June 30, 2023

The Public Defender recognized interest expense in the amount of \$5,428 for the year ended June 30, 2023. The remaining payments until maturity of the lease term are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 53,264	\$ 2,836	\$ 56,100
2025	52,865	5,785	58,650
2026	50,028	11,172	61,200
2027	52,588	8,612	61,200
2028	55,278	5,922	61,200
2029-2030	<u>88,265</u>	<u>3,535</u>	<u>91,800</u>
Total	<u>\$ 352,288</u>	<u>\$ 37,862</u>	<u>\$ 390,150</u>

(5) Changes in Compensated Absences

At June 30, 2023, employees of the office had accumulated and vested vacation and sick leave benefits, which were computed in accordance with GASB standards. Payments are made from the General Fund.

Balance, June 30, 2022	\$ 11,359
Additions	18,758
Deletions	<u>(14,829)</u>
Balance, June 30, 2023	<u>\$ 15,288</u>

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

(6) Risk Management

The Public Defender's Office is exposed to risks of loss in the areas of general liability, professional liability and workers compensation. These risks are handled by purchasing insurance. There have been no reductions in insurance coverage during the current year, nor have settlements exceeded coverage during the current year or preceding two years.

(7) Office Costs Not Included in the Financial Statements

The accompanying financial statements do not include the costs for office space and utilities for the office on the east bank of the Mississippi River in Jefferson Parish's First Parish Court, nor for the office on the west bank in the Parish's Juvenile Court because neither court charges the District Defender for office space or utilities.

(8) Litigation and Claims

As of June 30, 2023, the Public Defender's Office is involved in one lawsuit. Liability has not been accrued in the financial statements, as management believes these suits will not adversely affect the financial statements. If a monetary judgement is rendered, it is expected to be covered by professional liability insurance maintained by the Public Defender's Office.

(9) Pension Plan / GASB 68

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

Summary of Significant Accounting Policies:

The Parochial Employees' Retirement System of Louisiana (the System) prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities (assets), deferred outflows of resources, deferred inflows of resources, and expenses / expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability (asset), deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.



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Notes to Basic Financial Statements (Continued)

Basis of Accounting:

The System's employer pension schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2022.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

System Employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The Parochial Employees' Retirement System of Louisiana (System) is the administrator of 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 and pays persons serving the parish.

The System is governed by LA Revised Statutes, Title 11, Sections 1901-2025, specifically, and other general laws of the State of Louisiana.

Benefits Provided:

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

Any member of Plan A can retire providing he / she meets one of the following criteria.

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service
2. Age 62 with 10 years of service
3. Age 67 with 7 years of service

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit as outlined in the statutes.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

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Notes to Basic Financial Statements (Continued)

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty for those members who are enrolled prior to January 1, 2017 and to age sixty-two for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit

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Notes to Basic Financial Statements (Continued)

for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.10% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2022 was 11.50% for Plan A.

According to state statute, the System also receives one-fourth of one percent of ad valorem taxes collected within 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. Non-employer contributions are recognized as revenue in the amount of \$1,554 and excluded from pension expense for the year ended June 30, 2023.

Employer Allocations:

The schedule of employer allocations reports the historical employer contributions, in addition to the employer allocation percentage for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on the employer's contributions to the plan during the fiscal year ended December 31, 2022 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2022.

Pension liabilities, Pension expense, Deferred outflows of resources, and Deferred inflows of resources related to pensions:

At June 30, 2023, the Public Defender's Office reported a liability of \$64,171 for its proportionate share of the 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

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

determined by an actuarial valuation as of that date. The Public Defender's Office's proportion of the Net Pension Liability was based on a projection of the Public Defender's Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the Public Defender's Office's proportion was 0.016673%, which was a decrease of 0.00150% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Public Defender's Office recognized pension expense of \$28,402 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$417.

At June 30, 2023 the Public Defender's Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 2,373	\$ 7,070
Changes of assumptions	2,048	-
Net difference between projected and actual earnings on pension plan investments	67,744	-
Change in proportion and differences between employer contributions and proportionate share of contributions	792	229
Employer contributions subsequent to the measurement date	7,250	-
Total	\$ 80,207	\$ 7,299

Deferred outflows of resources of \$7,250 related to pensions resulting from the Public Defender's Office's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability (Asset) in the year ended 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:

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Notes to Basic Financial Statements (Continued)

Year Ended		
2024		\$ 2,089
2025		11,261
2026		21,935
2027		<u>30,373</u>
		<u>\$ 65,658</u>

Actuarial Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

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	Plan A – Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 4.75%
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.

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

Mortality	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.
Inflation Rate	2.30%

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contributions rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' 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.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (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.

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Notes to Basic Financial Statements (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
Totals	100%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity of the employer's proportionate share of the net pension liability (asset) to changes in the discount rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.40%, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) than the current rate:

	Changes in discount rate		
	1.0% Decrease 5.40%	Current Discount Rate 6.40%	1.0% Increase 7.40%
Employer's proportionate share of the net pension liability (asset)	\$ 158,697	\$ 64,171	\$ (15,077)



TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

Change in net pension liability:

The changes in the net pension liability for the year ended December 31, 2022 were recognized in the current reporting period except as follows:

- a. Differences between expected and actual experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual resulted in a deferred outflow of resources in the amount of \$2,373 and a deferred inflow of resources in the amount of \$7,070 for the year ended December 31, 2022.
- b. Changes of assumptions or other inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$2,048 for the year ended December 31, 2022.
- c. Differences between projected and actual investment earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$67,744 for the year ended December 31, 2022.
- d. Change in proportion: Changes in the employer's proportionate shares of the collective net pension liability and collected deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense / (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion resulted in a deferred outflow of resources in the amount of \$792 and a deferred inflow of resources in the amount of \$299 for the year ended December 31, 2022.

Contributions – Proportionate Share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense / (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow / outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

Retirement System Audit Report:

The System issued a stand-alone audit report on its 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](http://www.persla.org), or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

(10) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Public Defender's Office is required to disclose the compensation, reimbursements, benefits, and other payments made to the District Defender, in which the payments are related to the position. The following is a schedule of payments made to the District Defender for the year ended June 30, 2023.

Entity head: Richard M. Tompson, Public Defender

Salary	\$ 139,721
Cell phone	1,001
Reimbursements	<u>115</u>
Total	<u>\$ 140,837</u>

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Governmental Fund Revenues and Expenditures

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

**Revenues:**

**State Government**

Appropriations - general	\$ -	
Appropriations - special	1,842,009	
Revenue sharing	-	
Grants	-	
On-behalf payments	-	
Other	<u>2,253</u>	
Total		\$ 1,844,262

**Local Government**

Appropriations - general	-	
Appropriations - special	-	
Grants	38,500	
Statutory fines, forfeitures, fees, court costs, and other	1,849,187	
Taxes - millages, sales, special, etc.	-	
Criminal civil court	-	
On-behalf payments	-	
Other	<u>73,863</u>	
Total		1,961,550

**Federal Government**

Grants - direct	-	
Grants - indirect (passed-through)	<u>-</u>	
Total		-

TWENTY-FOURTH JUDICIAL DISTRICT  
 PUBLIC DEFENDER OFFICE  
 Jefferson Parish, Louisiana

Notes to Basic Financial Statements (Continued)

**Revenues (Continued):**

**Other Grants and Contributions**

Nonprofit organizations	-
Private organizations	-
Corporate	-
Other	-
	-

Total -

**Charges for Services** -

**Investment Earnings** 100,686

**Miscellaneous** -

**Total Revenues** \$ 3,906,498

**Expenditures:**

**Personnel Services and Benefits**

Salaries	169,821
On-behalf payments - salaries	-
Retirement contributions	13,893
On-behalf payments - retirement	-
Insurance	-
On-behalf payments - insurance	-
Payroll Taxes	5,800
Other	-
	-

Total \$ 189,514

TWENTY-FOURTH JUDICIAL DISTRICT  
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Notes to Basic Financial Statements (Continued)

**Expenditures (Continued):**

**Professional Development**

Dues, licenses and registrations	1,274	
Travel	463	
Other	<u>-</u>	
Total		1,737

**Operating Costs**

Library and research	5,563	
Contract services - attorney/legal	3,236,686	
Contract services - other	170,470	
Lease - office	58,200	
Lease - autos and other	4,705	
Travel - transportation	-	
Travel - other	-	
Insurance	77,837	
Supplies	17,550	
Repairs and maintenance	10,967	
Utilities and telephone	20,725	
Other	<u>876</u>	
Total		3,603,579

**Debt Service**

-

**Capital Outlay**

-

**Total Expenditures**

\$ 3,794,830

**REQUIRED SUPPLEMENTARY INFORMATION**

TWENTY-FOURTH JUDICIAL DISTRICT  
 PUBLIC DEFENDER OFFICE  
 Jefferson Parish, Louisiana  
 General Fund  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fees, charges, and commissions for services -				
Court costs	\$ 1,460,000	\$ 1,460,000	\$ 1,457,693	\$ (2,307)
Bail bond forfeiture & license fees	415,000	415,000	378,652	(36,348)
Application fees	22,100	22,100	40,378	18,278
Criminal justice bond fee	10,000	10,000	12,842	2,842
Intergovernmental revenues:				
Louisiana Public Defender Board	1,424,126	1,424,126	1,842,009	417,883
Drug, DWI and Veterans court	45,000	45,000	38,500	(6,500)
Interest earnings	3,400	3,400	100,686	97,286
Other	80,000	80,000	35,738	(44,262)
Total revenues	<u>3,459,626</u>	<u>3,459,626</u>	<u>3,906,498</u>	<u>446,872</u>
<b>Expenditures:</b>				
Current -				
General government				
Attorneys' fees	3,294,220	3,294,220	3,236,686	57,534
Salaries and related benefits	174,300	174,300	189,514	(15,214)
Other professional services	272,000	272,000	170,470	101,530
Operating services	183,886	183,886	172,321	11,565
Office supplies and expenses	24,700	24,700	25,839	(1,139)
Total expenditures	<u>3,949,106</u>	<u>3,949,106</u>	<u>3,794,830</u>	<u>154,276</u>
Net change in fund balance	(489,480)	(489,480)	111,668	601,148
Fund balance, beginning	<u>1,123,479</u>	<u>1,671,771</u>	<u>1,671,771</u>	<u>-</u>
Fund balance, ending	<u>\$ 633,999</u>	<u>\$ 1,182,291</u>	<u>\$ 1,783,439</u>	<u>\$ 601,148</u>

See notes to required supplementary information.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2023

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.027710%	\$ 7,576	\$ 158,865	4.77%	99.15%
2016	0.026741%	\$ 70,390	\$ 146,734	47.97%	92.23%
2017	0.022590%	\$ 46,524	\$ 133,973	34.73%	94.15%
2018	0.020959%	\$ (15,557)	\$ 129,061	-12.05%	101.98%
2019	0.019448%	\$ 86,317	\$ 110,000	78.47%	88.86%
2020	0.017548%	\$ 826	\$ 112,919	0.73%	99.89%
2021	0.016963%	\$ (29,743)	\$ 113,300	-26.25%	104.00%
2022	0.018173%	\$ (85,603)	\$ 120,603	-70.98%	110.46%
2023	0.016673%	\$ 64,171	\$ 120,809	53.12%	91.74%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to required supplementary information.



TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Schedule of Employer Contributions  
For the Year Ended June 30, 2023

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 24,080	\$ 24,080	\$ -	\$ 158,865	15.16%
2016	\$ 19,082	\$ 19,082	\$ -	\$ 146,734	13.00%
2017	\$ 17,094	\$ 17,094	\$ -	\$ 133,973	12.75%
2018	\$ 15,487	\$ 15,487	\$ -	\$ 129,061	12.00%
2019	\$ 12,700	\$ 12,700	\$ -	\$ 110,000	11.50%
2020	\$ 13,411	\$ 13,411	\$ -	\$ 112,929	11.88%
2021	\$ 13,879	\$ 13,879	\$ -	\$ 113,300	12.25%
2022	\$ 14,359	\$ 14,359	\$ -	\$ 120,603	11.91%
2023	\$ 13,893	\$ 13,893	\$ -	\$ 120,809	11.50%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

See notes to required supplementary information.

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

(1) Budget and Budgetary Accounting

The Public Defender Office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The district defender prepares a proposed budget for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted and as finally amended by the Public Defender office.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**OTHER SUPPLEMENTARY INFORMATION**

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Justice System Funding Reporting Schedule – Receiving Schedule  
As Required by Act 87 of the 2020 Regular Legislative Session  
Cash Basis Presentation  
June 30, 2023

	<u>7/1/2022- 12/31/2022</u>	<u>1/1/2023- 6/30/2023</u>
<b>Receipts From:</b> <i>(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)</i>		
City of Gretna - Criminal Court Costs/Fees	35,305	34,954
City of Harahan - Criminal Court Costs/Fees	4,524	7,951
Jefferson Parish Juvenile Court - Criminal Court Costs/Fees	3,018	1,900
City of Grand Isle - Criminal Court Costs/Fees	8,801	9,883
City of Kenner - Criminal Court Costs/Fees	36,754	49,062
Jefferson Parish Sheriff - Criminal Court Costs/Fees	505,328	581,082
City of Westwego - Criminal Court Costs/Fees	76,230	102,900
Jefferson Parish District Attorney's Office - Bond fees	11,458	8,105
Jefferson Parish Sheriff - Bond Fees	183,307	188,624
<b>Subtotal Receipts</b>	<b>864,725</b>	<b>984,461</b>
<b>Ending Balance of Amounts Assessed but Not Received</b> <i>(only applies to those agencies that assess on behalf of themselves, such as courts)</i>		

Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

# Champagne & Company, LLC

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## INDEPENDENT AUDITORS' 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*

Mr. Richard M. Tompson, District Defender  
Twenty-Fourth Judicial District Public Defender Office  
Jefferson Parish, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Twenty-Fourth Judicial District Public Defender Office, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Twenty-Fourth Judicial District Public Defender Office's basic financial statements and have issued our report thereon dated November 10, 2023.

### Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan, as item 2023-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

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

## **Twenty-Fourth Judicial District Public Defender Office's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Twenty-Fourth Judicial District Public Defender Office's response to the finding identified in our audit and described in the accompanying schedule of prior and current year findings and management's corrective action plan. The Twenty-Fourth Judicial District Public Defender Office's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
November 10, 2023

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Schedule of Prior and Current Year Findings and  
Management's Corrective Action Plan  
For the Year Ended June 30, 2023

I. Prior Year Findings:

Internal Control Over Financial Reporting

Item 2022-001 – Inadequate Segregation of Accounting Functions

Finding: Due to the limited number of employees, the Public Defender Office did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 2023-001.

Compliance

There were no items reported at June 30, 2022.

Management Letter Items

There were no items reported at June 30, 2022.

(continued)

TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
Jefferson Parish, Louisiana

Schedule of Prior and Current Year Findings and  
Management's Corrective Action Plan (Continued)  
For the Year Ended June 30, 2023

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

Item 2023-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred: 2018

Condition and Criteria:

The Public Defender's Office did not have adequate segregation of accounting functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Public Defender's Office.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Mr. Richard Tompson, District Defender, has determined that it is not feasible to achieve complete segregation of functions within the accounting department. No plan is considered necessary.

Compliance

There are no findings to be reported at June 30, 2023.

Management Letter Items

There are no items to be reported at June 30, 2023.



**TWENTY-FOURTH JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE**  
Jefferson Parish, Louisiana

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2023

# Champagne & Company, LLC

Certified Public Accountants

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Twenty-Fourth Judicial District Public Defender's Office and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Twenty-Fourth Judicial District Public Defender's Office's management is responsible for those C/C areas identified in the SAUPs.

The Twenty-Fourth Judicial District Public Defender's 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 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 purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) *Written Policies and Procedures*

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

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

*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.

*No exceptions noted.*

- iii. **Disbursements**, including processing, reviewing, and approving.  
*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 or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).  
*Written policies and procedures do not address preparing deposits.*
- 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 rates of pay or approval and maintenance of pay rate schedules.  
*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.  
*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.  
*No exceptions noted.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase 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).  
*No exceptions noted.*
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.  
*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.  
*No exceptions noted.*
- 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.  
*We performed the procedure and discussed the results with management.*
- 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.  
*No exceptions noted.*

## 2) *Board or Finance Committee*

---

*The Public Defender's Office is not required to maintain minutes; therefore, these steps are not applicable.*

- 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, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - 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 unassigned fund balance in the general fund.
  - 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.

## 3) *Bank Reconciliations*

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional 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:

*Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 1 additional account (all accounts since less than 5) for one random month during the period.*

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);  
*No exceptions noted.*
- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
*No exceptions noted.*
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
*No exceptions noted.*

#### 4) 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).

*Obtained 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.*

- 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*Obtained a listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*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.

*No exceptions noted.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*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).

*Two deposits tested were not made within one business day of receipt (and was not more than 10 miles from collection location or less than \$100).*

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

*No exceptions noted.*

**5) Non-Payroll Disbursements (excluding card purchases, 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).

*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*

- B. For each location selected under #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 agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

*Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*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; and

*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.

*An employee not authorized to sign checks approves the electronic disbursement of funds.*

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

*Obtained the entity's non-payroll disbursement transaction population and management's representation that the population is complete.*

- 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 entity, and

*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 above, as applicable.

*No exceptions noted.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*All electronic disbursements tested were approved by an employee not authorized to disburse funds.*

#### **6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

---

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.

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

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

*No exceptions noted.*

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

*No exceptions noted.*

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For

missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Seven transactions tested did not include an original itemized receipt or documentation of the public purpose.*

#### **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

- 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 and 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

*Obtained 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.*

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));  
*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;  
*No exceptions noted.*
- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and  
*No exceptions noted.*
- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*No exceptions noted.*

#### **8) 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

*Obtained 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 and management’s representation that the listing is complete.*

- 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;  
*No exceptions noted.*



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

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

## **9) Payroll and Personnel**

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

*Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. One employee tested did not have their authorized pay rate documented in their personnel file.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #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);

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*One employee tested did not have their authorized salary/pay rate documented in their personnel file.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No exceptions noted.*

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

*All employees tested did not have documentation which demonstrated that they were notified of changes to the entity's ethics policy.*

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

*No exceptions noted.*

### **11) Debt Service**

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- 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.

*The Public Defender's Office did not issue bonds/notes and other debt instruments during the fiscal period; therefore, this test was not applicable.*

- 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*The Public Defender's Office does not have bonds/notes outstanding at the end of the fiscal period; therefore, this test was not applicable.*

### **12) Fraud Notice**

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

*The Public Defender's Office did not have misappropriations of public funds and assets during the fiscal period; therefore, this test was not applicable.*

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

*No exceptions noted.*

### **13) 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 entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, (c) was encrypted.

*We performed the procedure and discussed the results with management.*

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

*We performed the procedure and discussed the results with management.*

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

*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.

*We performed the procedure and discussed the results with management.*

### **14) Prevention of Sexual Harassment**

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- ii. Number of sexual harassment complaints received by the agency;

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

We were engaged by the Twenty-Fourth Judicial District Public Defender's Office to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Twenty-Fourth Judicial District Public Defender's 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.

***Champagne & Company, LLC***

Certified Public Accountants

Breaux Bridge, Louisiana  
November 10, 2023

Twenty-Fourth Judicial District Public Defender's Office  
Jefferson Parish, Louisiana

Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2023

Management's Response to Item:

- 1A-iv            The Public Defender's Office (PDO) will amend its policies and procedures to ensure that they address each of the subcategories as mentioned in the Statewide Agreed Upon Procedures.
- 4D-iv            The PDO will consider changing its policy to perform daily, instead of weekly, deposits.
- 5B-v,D          The PDO will ensure only employees/officials authorized to sign checks are those to approve electronic disbursement of funds.
- 6C                The PDO will ensure an original itemized receipt that identifies precisely what was purchased (or documentation necessary to support monthly recurring charges) and written documentation of the business/public purpose is included on all credit card transactions.
- 9A, B-iv        The PDO will include authorized salary/pay rates for all employees in applicable personnel files.
- 10A-ii          The PDO will maintain documentation which demonstrates each employee and official are notified of any changes to the ethics policy (when applicable).