

**15TH JUDICIAL DISTRICT
PUBLIC DEFENDERS' OFFICE**

FINANCIAL REPORT

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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To the District Public Defender of the
15th Judicial District Public Defenders' Office
Lafayette, 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 15th Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund, of the District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 District'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 District'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.

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, the District has a prior year restatement. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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 this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The judicial system funding schedule is presented for 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 judicial system funding 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 December 12, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Lafayette, Louisiana
December 12, 2022

BASIC FINANCIAL STATEMENTS

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 37,164
Due from other governmental agencies	464,598
Prepaid expenses	36,930
Total current assets	538,692
Noncurrent assets:	
Capital assets, net of accumulated depreciation/amortization	659,188
Total assets	1,197,880
LIABILITIES	
Current liabilities:	
Accounts payable	33,842
Accrued liabilities	1,581
Lease liability	123,547
Total current liabilities	158,970
Noncurrent liabilities:	
Lease liability	272,876
Total liabilities	431,846
NET POSITION	
Net investment in capital assets	262,765
Unrestricted	503,269
Total net position	\$ 766,034

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Statement of Activities
For the Year Ended June 30, 2022

Activities	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Change in Net Position
		Charges for Services and Fines	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 5,228,435	\$ 1,722,781	\$ 3,092,284	\$ (413,370)
Interest	11,135	-	-	(11,135)
Total	\$ 5,239,570	\$ 1,722,781	\$ 3,092,284	(424,505)
General revenues:				
Interest income				2,277
Gain on disposition of right-of-use asset				1,442
Total general revenues				3,719
Change in net position				(420,786)
Net position, beginning as restated				1,186,820
Net position, ending				\$ 766,034

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

FUND FINANCIAL STATEMENTS

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
 Parishes of Lafayette, Acadia, and Vermilion
 Governmental Fund

Balance Sheet
 June 30, 2022

	General Fund
ASSETS	
Assets:	
Cash and interest-bearing deposits	\$ 37,164
Due from other governmental agencies	464,598
Prepaid expenses	36,930
Total assets	\$ 538,692
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 33,842
Payroll liabilities	1,581
Total liabilities	35,423
Fund balance:	
Nonspendable - prepaid items	36,930
Unassigned	466,339
Total fund balance	503,269
Total liabilities and fund balance	\$ 538,692

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balance for governmental funds at June 30, 2022		\$ 503,269
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:		
Building, net of \$5,659 accumulated depreciation	\$ 227,795	
Equipment and furniture, net of \$76,270 accumulated depreciation	40,278	
Right-of-use assets, net of \$353,267 accumulated amortization	<u>391,115</u>	659,188
Long-term liabilities at June 30, 2022:		
Lease liability		<u>(396,423)</u>
Net position at June 30, 2022		<u>\$ 766,034</u>

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
 Parishes of Lafayette, Acadia, and Vermilion
 Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended June 30, 2022

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
Court cost and bond forfeitures	\$ 1,626,879
District assistance fund - Louisiana IDAB	3,092,284
Charges for services -	
Partially indigent and application fees	95,902
Investment earnings	<u>2,277</u>
Total revenues	<u>4,817,342</u>
Expenditures:	
Current -	
Indigent defense:	
Operations	5,057,800
Debt service -	
Principal	162,982
Interest	11,135
Capital outlay	<u>586,977</u>
Total expenditures	<u>5,818,894</u>
Deficiency of revenues over expenditures	(1,001,552)
Other financing sources:	
Lease financing	<u>317,663</u>
Net change in fund balance	(683,889)
Fund balance, beginning as restated	<u>1,187,158</u>
Fund balance, ending	<u>\$ 503,269</u>

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

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, 2022

Net change in fund balance for the year ended June 30, 2022, per statement of revenues, expenditures and changes in fund balance		\$ (683,889)
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 expense.		
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance	\$ 586,977	
Depreciation expense	(7,050)	
Amortization expense	(163,585)	
Gain on disposal of right-of-use asset	<u>1,442</u>	417,784
Lease financing is reported as financing sources in governmental funds and contribute to the change in fund balance. In the statement of net position; however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.		
Lease financing	(317,663)	
Principal payments	<u>162,982</u>	(154,681)
Total changes in net position for the year ended June 30, 2022 per statement of activities		<u>\$ (420,786)</u>

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements

INTRODUCTION

The 15th Judicial District Public Defenders' Office (District) provides criminal defense to indigent persons in Louisiana's 15th Judicial District (Acadia, Lafayette and Vermilion Parishes). The function is accomplished by maintaining an administrative staff and contracting for legal and other defense experts.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The District is part of the operations of the Louisiana Public Defender Board. House Bill No. 436, Act No. 307 of the 2007 regular legislative session enacted the Louisiana Public Defender Act, effective August 15, 2007, creating the Louisiana Public Defender Board with oversight responsibilities of service regions and individual district public defender offices. The Louisiana Public Defender Board, which is established as a state agency, is to provide for the supervision, administration, and delivery of a statewide public defender system that is independent of local politics. Service regions are created to help provide supervision over district offices. The Louisiana Public Defender Board has the power to provide for the powers and duties of district public defenders and for the filling of vacancies.

The accompanying financial statements present information only on the Offices maintained by the 15th Judicial District Public Defenders' Office.

B. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those 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 of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The major fund and only fund of the District is described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the District and it accounts for the operations of the District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

C. Measurement Focus/Basis of Accounting

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

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Court costs, bond forfeitures, fees from indigents, and intergovernmental revenues are recorded when the District is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District's primary expenditures include salaries and contracted legal services, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the District prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year-end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. A summary of the proposed budget is published and the public 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 the 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 are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

F. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated acquisition cost at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

Assets Class	Estimated Useful Lives
Leasehold improvements	3 years
Equipment and furniture	3 - 10 years

G. Compensated Absences

Employees of the District can earn from 80 to 120 hours of vacation leave each year, depending on their length of service. Vacation leave must be taken in the year it is earned. Employees can earn 96 hours of personal leave per year and can carry over 24 hours of unused leave to the next year. Personal leave is not compensable if an employee leaves the service of the District. At June 30, 2022 the District has no leave benefits required to be reported in accordance with generally accepted accounting principles.

H. 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 revenues, respectively.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

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

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – 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.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the District may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

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

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

J. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank 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 District 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, 2022, the District has interest-bearing deposits (book balances) totaling \$37,164.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2022, are secured as follows:

Bank balances	<u>\$ 97,488</u>
Federal deposit insurance	<u>\$ 97,488</u>

There were no deposits exposed to custodial credit risk and the District does not have a policy for custodial credit risk.

(3) Due From Other Governmental Agencies

At June 30, 2022, the amounts due from other governmental agencies consist of the following:

Bond forfeitures	\$ 31,464
Court fees	89,109
District assistance fund	<u>344,025</u>
	<u>\$ 464,598</u>

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2022</u>
Capital assets:				
Buildings	\$ -	\$ 233,454	\$ -	\$ 233,454
Leasehold improvements	35,158	-	-	35,158
Equipment and furniture	80,688	35,860	-	116,548
Total capital assets	<u>115,846</u>	<u>269,314</u>	<u>-</u>	<u>385,160</u>
Less: accumulated depreciation				
Buildings	-	5,659	-	5,659
Leasehold improvements	35,158	-	-	35,158
Equipment and furniture	74,879	1,391	-	76,270
Total accumulated depreciation	<u>110,037</u>	<u>7,050</u>	<u>-</u>	<u>117,087</u>
Total depreciable capital assets, net	<u>5,809</u>	<u>262,264</u>	<u>-</u>	<u>268,073</u>
Intangible right-to-use assets:				
Buildings/parking space	477,358	307,724	82,965	702,117
Equipment	32,326	9,939	-	42,265
Total intangible right-to-use assets	<u>509,684</u>	<u>317,663</u>	<u>82,965</u>	<u>744,382</u>
Less: accumulated amortization				
Buildings/parking space	191,879	153,965	26,272	319,572
Equipment	24,075	9,620	-	33,695
Total accumulated amortization	<u>215,954</u>	<u>163,585</u>	<u>26,272</u>	<u>353,267</u>
Intangible right-to-use assets, net	<u>293,730</u>	<u>154,078</u>	<u>56,693</u>	<u>391,115</u>
Net capital assets	<u>\$ 299,539</u>	<u>\$ 416,342</u>	<u>\$ 56,693</u>	<u>\$ 659,188</u>

Depreciation expense in the amount of \$7,050 was charged to general government.

Leased assets (see Note 5) will be amortized over the lease term. Unamortized lease assets to be amortized in future periods are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 122,017
2024	33,257
2025	33,256
2026	30,772
2027	30,772
2028-2032	<u>141,041</u>
Total	<u>\$ 391,115</u>

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(5) Leases

During the fiscal year ended June 30, 2022, the District implemented GASBS No. 87, Leases, for accounting and reporting leases that had previously been reported as operating leases. During the year ended June 30, 2021, the District leased building/parking space and equipment with various terms. Accordingly, restatement of prior period financial statements was necessary to implement GASB No. 87. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. For purposes of discounting future payments on the lease, the District used the interest rates ranging from 3.25% - 5.25%. Subsequently, the lease liability is reduced by the principal portion of lease payments. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

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

The following is a summary of changes in the lease liability for the year ended June 30, 2022:

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Lease liability	\$299,875	\$317,664	\$(221,116)	\$396,423	\$123,547

Lease assets are reported with capital assets on the statement of net position. The lease assets and accumulated amortization of the right-to-use asset is outlined in Note 4.

Minimum lease payments through the lease term are as follows:

Year Ending June 30,	Principal	Interest
2023	\$121,524	\$10,592
2024	30,175	8,599
2025	31,178	7,496
2026	29,955	6,491
2027	30,485	5,515
2028-2032	153,106	13,541
	\$396,423	\$52,234

(6) Risk Management

The District is exposed to risks of loss in the areas of general liability, malpractice, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(7) Governmental Office Revenues and Expenditures

For the year ended June 30, 2022, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government -	
Grants	\$ 3,092,284
Local Government -	
Statutory fines, forfeitures, fees, court costs, and other	1,626,879
Charges for Services	95,902
Investment Earnings	2,277
Miscellaneous -	
Lease financing	317,663
Total Revenues	<u>\$ 5,135,005</u>

Expenditures:

Personnel Services and Benefits -	
Salaries	\$ 1,994,180
Retirement contributions	21,340
Insurance	215,705
Payroll taxes	150,506
Other	9,630
Total	<u>2,391,361</u>
Professional Development -	
Dues, licenses, and registrations	<u>12,821</u>
Operating Costs -	
Library and research	15,656
Contract services - attorney/legal	2,316,891
Contract services - other	106,317
Lease - office	16,922
Lease - autos and other	1,329
Travel - other	4,125
Insurance	25,609
Supplies	23,145
Repairs and maintenance	14,482
Utilities and telephone	35,979
Other	93,163
Total	<u>2,653,618</u>
Debt Service	<u>174,117</u>
Capital Outlay	<u>586,977</u>
Total Expenditures	<u>\$ 5,818,894</u>

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Notes to the Basic Financial Statements (Continued)

(8) Deferred Compensation Plan

Certain employees of the District participate in the 15th Judicial District Public Defenders' Office Deferred Compensation Plan (Plan) adopted under the provisions of Internal Revenue Code Section 457, which is administered by the Nationwide Insurance Company. The District does not have managerial or financial responsibility for the plan assets. After two years of service, all employees are eligible to participate in the Plan and the District has opted to match their contribution up to \$2,000 per year. For the year ended June 30, 2022, the District contributed \$21,340 to the Plan. At June 30, 2022, there were no amounts payable to the plan.

(9) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Paul Marx, District Defender, for the year ended June 30, 2022 follows:

Purpose	Amount
Salary	\$ 129,000
Benefits - Insurance	7,442
Benefits - Retirement	4,000
Travel	147
Reimbursements (bar dues/other)	1,072

(10) Implementation of New Accounting Pronouncement/Prior Year Restatement

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". The provisions of GASB Statement No. 87 were implemented by the District during the year ending June 30, 2022. Additionally, management determined during the current fiscal year that a lease payment in the amount of \$11,617 was inadvertently included in operating expenses when the payment should have been recorded as a prepaid. The net effect of the implementation of the new accounting pronouncement and correction of an error resulted in the restatement of previously reported net position as follows:

	Governmental Activities	Governmental Fund
Net position/fund balance, beginning of year as previously stated	\$ 1,187,424	\$ 1,175,541
Change in accounting principle:		
Net effect of implementing GASB Statement No. 87	(12,221)	-
Correction of an error	11,617	11,617
Net position/fund balance, beginning of year as restated	\$ 1,186,820	\$ 1,187,158

REQUIRED SUPPLEMENTARY INFORMATION

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental revenues -				
Court cost and bond forfeitures	\$ 1,940,000	\$ 1,731,685	\$ 1,626,879	\$ (104,806)
District assistance fund - Louisiana IDAB	2,892,932	3,092,260	3,092,284	24
Charges for services -				
Partially indigent and application fees	115,000	89,984	95,902	5,918
Investment earnings	<u>8,500</u>	<u>8,500</u>	<u>2,277</u>	<u>(6,223)</u>
Total revenues	<u>4,956,432</u>	<u>4,922,429</u>	<u>4,817,342</u>	<u>(105,087)</u>
Expenditures:				
Current -				
Indigent defense:				
Operations	5,415,557	5,078,990	5,057,800	21,190
Debt service -				
Principal	-	162,982	162,982	-
Interest	-	11,135	11,135	-
Capital outlay	<u>220,000</u>	<u>575,717</u>	<u>586,977</u>	<u>(11,260)</u>
Total expenditures	<u>5,635,557</u>	<u>5,828,824</u>	<u>5,818,894</u>	<u>9,930</u>
Deficiency of revenues over expenditures	(679,125)	(906,395)	(1,001,552)	(95,157)
Other financing sources:				
Lease financing	<u>-</u>	<u>317,663</u>	<u>317,663</u>	<u>-</u>
Net change in fund balance	(679,125)	(588,732)	(683,889)	(95,157)
Fund balance, beginning as restated	<u>1,187,158</u>	<u>1,187,158</u>	<u>1,187,158</u>	<u>-</u>
Fund balance, ending	<u>\$ 508,033</u>	<u>\$ 598,426</u>	<u>\$ 503,269</u>	<u>\$ (95,157)</u>

SUPPLEMENTARY INFORMATION

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2022

Cash Basis Presentation	<u>Six Month Period Ended 12/31/2021</u>	<u>Six Month Period Ended 6/30/2022</u>
Receipts From:		
<i>Acadia Parish Sheriff Office, Criminal Court Cost/Fees</i>	\$ 59,326	\$ 23,568
<i>Acadia Parish Sheriff Office, Bond Fees</i>	15,131	24,506
<i>Lafayette Parish Sheriff Office, Criminal Court Cost/Fees</i>	85,276	78,157
<i>Lafayette Parish Sheriff Office, Bond Fees</i>	100,035	82,845
<i>Vermilion Parish Sheriff Office, Criminal Court Cost/Fees</i>	24,035	23,311
<i>Vermilion Parish Sheriff Office, Bond Fees</i>	27,661	10,350
<i>Abbeville City Court, Criminal Court Cost/Fees</i>	10,695	3,719
<i>Crowley City Court, Criminal Court Cost/Fees</i>	36,842	43,855
<i>Kaplan City Court, Criminal Court Cost/Fees</i>	8,337	5,253
<i>Lafayette City Court, Criminal Court Cost/Fees</i>	221,610	179,717
<i>Rayne City Court, Criminal Court Cost/Fees</i>	35,685	14,496
<i>Broussard Mayors Court, Criminal Court Cost/Fees</i>	82,039	31,717
<i>Carencro Mayors Court, Criminal Court Cost/Fees</i>	32,097	28,688
<i>Erath Mayors Court, Criminal Court Cost/Fees</i>	1,043	1,125
<i>Scott City Court, Criminal Court Cost/Fees</i>	38,430	43,750
<i>Youngsville Mayors Court, Criminal Court Cost/Fees</i>	45,955	52,885
<i>Maurice Mayors Court, Criminal Court Cost/Fees</i>	5,450	6,233
<i>15th JD District Attorney, Bond fees</i>	6,239	16,248
<i>Interest earnings on collected balances</i>	1,589	690
Total Receipts	<u>\$ 837,475</u>	<u>\$ 671,113</u>
Ending Balance of Amounts Assessed but Not Received	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

To the District Public Defender of the
15th Judicial District Public Defenders' Office
Lafayette, 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 15th Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2022-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District'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 financial statements. 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2022-002.

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Lafayette, Louisiana
December 12, 2022

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2006

CONDITION: The District did not have adequate segregation of functions within the accounting system.

CRITERIA: The District should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the District, there are a small number of available employees.

EFFECT: The District has employees that are performing more than one related function.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Due to the size of the operations, the achievement of adequate segregation of duties is desirable, but cost prohibitive. All efforts are made to segregate duties where feasible.

B. Compliance Findings -

2022-002 Local Governmental Budget Act

Fiscal year finding initially occurred: 2022

CONDITION: The District did not comply with the Local Government Budget Act.

CRITERIA: In accordance with Louisiana Revised Statute 39:1301-1315, the District is required to provide a 10 day notice to the public prior to having a budget hearing.

CAUSE: The District did not publish notice of their budget hearing in their official journal within 10 days of the public hearing.

EFFECT: The District published notice of their budget hearing in their official journal for the Fiscal Year 2023 Original Budget; however, the public was not given the required 10 day notice in accordance with Louisiana Revised Statute 39:1301-1315.

RECOMMENDATION: The District should determine the appropriate official journal deadlines to ensure their public notice is provided to the public 10 days prior to their budget hearing.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will coordinate with their official journal and provide the appropriate information to be published in order to give the public the required 10 day notice prior to having a budget hearing.

15th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parishes of Lafayette, Acadia, and Vermilion

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan (Continued)

Part II. Prior Year Findings

A. Internal Control Findings -

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2006

CONDITION: The District did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2022-001.

B. Compliance Findings -

There are no findings to report under this section.

**15th Judicial District
Public Defenders' Office
Lafayette, Louisiana**

Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

15th Judicial District Public Defenders' 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, 2021 through June 30, 2022. 15th Judicial District Public Defenders' Office management is responsible for those C/C areas identified in the SAUPs.

The 15th Judicial District Public Defenders' 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, 2021 through June 30, 2022. 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that 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.
 - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the 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:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic fund transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management

had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave

according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe whether supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Debt Service

21. 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.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24. Observe 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.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”**

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #15 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Written Policies and Procedures

1. The entity's written policies and procedures do not address the following: (a) Budgeting – process for amending the budget in accordance with the Local Government Budget Act; (b) Purchasing – how vendors are added to the vendor list, controls to ensure compliance with the public bid law, and documentation required to be maintained for all bids and price quotes; (c) Receipts – management's actions to determine completeness of all collections for each type of revenue by reconciling prenumbered receipt sequences; (d) Payroll – payroll processing procedures should include all aspects of the process and approval process for employees rate of pay or approval and maintenance of pay rate schedules; (e) Contracting – standard terms and conditions, legal review, approval process, and monitoring; (f) Credit Cards – how cards are to be controlled; (g) Ethics – actions to be taken if an ethics violation takes place, system to monitor possible ethics violations, requirement that documentation in maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy; (h) Sexual Harassment – agency responsibilities and prohibitions, annual employee training, and annual reporting.

Bank Reconciliations

2. One out of the three bank reconciliations did not have evidence of researching outstanding items greater than 12 months.

Collections

3. Two out of the four deposits tested did not use sequentially prenumbered receipts.
4. Three out of the four deposits tested were not deposited within one business day.
5. One out of the four deposits tested was missing support/collection documentation for a remittance.

Disbursements

6. One of the disbursements tested did not reflect evidence of segregation of duties by having at least two employees involved in processing and approving the payment.

Fraud Notice

7. The entity does not have the notice concerning the reporting of misappropriate, fraud, waste, or abuse of public funds required by R.S. 24:523.3 posted on their website.

Sexual Harassment

8. The entity does not have its sexual harassment policy and complaint procedure posted on its website.
9. The entity's sexual harassment report for the fiscal period was not dated and the report did not include the number and percentage of public servants in the agency who have completed the training requirements.

Management's Response:

Management of the 15th Judicial District Public Defenders' Office concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the 15th Judicial District Public Defenders' 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 15th Judicial District Public Defenders' 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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 12, 2022