

**19TH JUDICIAL DISTRICT
PUBLIC DEFENDERS' OFFICE
BATON ROUGE, LOUISIANA**

FINANCIAL REPORT

Year Ended June 30, 2022

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KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

To the District Public Defender of the
19th Judicial District Public Defenders' Office
Baton Rouge, 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 19th Judicial District Public Defender' Office (the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table on contents 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.

The District has omitted management’s discussion and analysis that the accounting principles generally accepted in the United States of America requires 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 Government 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 justice system funding schedules and schedule of compensation, benefits and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 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 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 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 District’s internal control over financial reporting and compliance.

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 27, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 27,880
Due from other governmental agencies	655,453
Prepaid expenses	<u>48,838</u>
Total current assets	<u>732,171</u>
 Noncurrent assets:	
Capital assets, net	<u>20,567</u>
 Total assets	<u>752,738</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,912
Accrued liabilities	<u>73,713</u>
Total current liabilities	<u>98,625</u>
NET POSITION	
Net investment in capital assets	20,567
Unrestricted	<u>633,546</u>
 Total net position	<u>\$ 654,113</u>

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

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

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	\$ 5,182,867	\$ 1,198,827	\$ 4,099,803	\$ 115,763
	General revenues:			
	Interest income			6,832
	Miscellaneous			2,973
				9,805
	Change in net position			125,568
	Net position, beginning			528,545
	Net position, ending			\$ 654,113

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

FUND FINANCIAL STATEMENTS

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Balance Sheet - Governmental Fund
June 30, 2022

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 27,880
Due from other governmental agencies	655,453
Prepaid expenses	<u>48,838</u>
Total assets	<u>\$ 732,171</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 24,912
Accrued liabilities	<u>73,713</u>
Total liabilities	<u>98,625</u>
Fund balance:	
Nonspendable - prepaid items	48,838
Unassigned	<u>584,708</u>
Total fund balance	<u>633,546</u>
Total liabilities and fund balance	<u>\$ 732,171</u>

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

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

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

Total fund balance for the governmental funds	\$ 633,546
Capital assets, net	<u>20,567</u>
Total net position of governmental activities	<u>\$ 654,113</u>

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

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

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

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
District assistance fund - Louisiana IDAB	\$ 2,972,803
Court cost and bond forfeitures	1,077,876
Rental taxes	59,545
Local grants	1,127,000
Charges for service -	
Partially indigent and application fees	61,406
Interest income	6,832
Miscellaneous	<u>2,973</u>
Total revenues	5,308,435
 Expenditures:	
Current -	
Indigent defense	
Operations	<u>5,171,472</u>
Net change in fund balance	136,963
 Fund balance, beginning	<u>496,583</u>
 Fund balance, ending	<u>\$ 633,546</u>

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

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

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 changes in fund balances of governmental funds	\$ 136,963
Capital Assets:	
Depreciation expense	<u>(11,395)</u>
Total changes in net position of governmental activities	<u>\$ 125,568</u>

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

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

INTRODUCTION

The 19th Judicial District Public Defenders' Office (District) provides criminal defense to indigent persons in Louisiana's 19th Judicial District. 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 19th 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

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.

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

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

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. 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:

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

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. 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.

E. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 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:

<u>Assets Class</u>	<u>Estimated Useful Lives</u>
Equipment	5 - 7 years
Furniture and fixtures	10 years

F. Compensated Absences

Employees of the District can earn from two to four weeks of vacation leave each year, depending on their position and length of service. Vacation leave must be taken in the year it is earned. Employees can earn one day of sick leave per month and can carry over 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.

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

G. 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. There are no deferred inflows or outflows as of June 30, 2022.

H. 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.

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance 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.

I. 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.

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. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) were secured as follows:

Bank balances	<u>\$ 50,975</u>
Federal deposit insurance	<u>\$ 50,975</u>

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

(3) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets:				
Equipment	\$ 100,823	\$ -	\$ -	\$ 100,823
Furniture and fixtures	<u>40,173</u>	<u>-</u>	<u>-</u>	<u>40,173</u>
Totals	<u>140,996</u>	<u>-</u>	<u>-</u>	<u>140,996</u>
Less: accumulated depreciation				
Equipment	(69,078)	(11,195)	-	(80,273)
Furniture and fixtures	<u>(39,956)</u>	<u>(200)</u>	<u>-</u>	<u>(40,156)</u>
Total accumulated depreciation	<u>(109,034)</u>	<u>(11,395)</u>	<u>-</u>	<u>(120,429)</u>
Capital assets, net	<u>\$ 31,962</u>	<u>\$ (11,395)</u>	<u>\$ -</u>	<u>\$ 20,567</u>

Depreciation expense in the amount of \$11,395 was charged to general government.

(4) 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.

(5) Deferred Compensation Plan

The District offers its employees participation in a Tax-Sheltered Annuity Plan adopted under the provisions of Internal Revenue Code Section 403(b), which is invested in American Funds, and administered by A.G. Edwards. The plan is a defined contribution plan established in accordance with the Internal Revenue Code Section 457. The plan is a retirement savings plan allowing eligible employees to supplement any existing retirement and pension benefits by saving and investing pre-tax and/or after-tax dollars through a voluntary salary contribution.

Contributions to Section 457 plans are determined by the U.S. Department of Treasury's Internal Revenue Service. Participants in the plan may contribute up to the lesser of 100% of earnable compensation or the IRS Statutory limit. Participants who were age 50 or older by the end of the calendar year are eligible to make additional catch-up contributions subject to the IRS limits.

The District has opted to match participating employees' elective deferrals up to 7.5%. For the year ended June 30, 2022, the District contributed \$206,194 to the plan. There were no amounts payable to the plan.

Participant and on-behalf contributions to the plan may be invested in a variety of investment options broadly diversified with distinct risk and return characteristics. Self-directed brokerage and managed account options are available. Contributions and investment earnings are always 100% vested.

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to the Basic Financial Statements

(6) 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 -	
Appropriations - general	\$ 2,972,803
Local Government -	
Statutory fines, forfeitures, fees, court costs, and other	1,137,421
Grants - City-Parish of East Baton Rouge	1,127,000
Charges for Services	61,406
Investment Earnings	6,832
Miscellaneous	<u>2,973</u>
Total Revenues	<u>\$ 5,308,435</u>

Expenditures:

Personnel Services and Benefits -	
Salaries	\$ 3,549,430
Retirement contributions	206,194
Insurance	349,517
Payroll taxes	<u>49,131</u>
Total	<u>4,157,518</u>
Professional Development -	
Dues, licenses, and registrations	<u>17,302</u>
Operating Costs -	
Library and research	38,127
Contract services - attorney/legal	742,220
Contract services - other	41,434
Lease - autos and other	18,658
Travel - other	5,373
Insurance	34,789
Supplies	49,013
Repairs and maintenance	4,089
Utilities and telephone	52,749
Other	<u>10,200</u>
Total	<u>996,652</u>
Total Expenditures	<u>\$ 5,171,472</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
 Parish of East Baton Rouge
 General Fund

Budgetary Comparison Schedule
 For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental revenues -				
District assistance fund - Louisiana IDAB	\$ 2,384,107	\$ 2,677,489	\$ 2,972,803	\$ 295,314
Court cost and bond forfeitures	1,800,198	1,622,941	1,077,876	(545,065)
Rental taxes	45,348	59,127	59,545	418
Local grants	359,701	43,250	1,127,000	1,083,750
Charges for service -				
Partially indigent and application fees	316,436	416,723	61,406	(355,317)
Other Grants				
Interest income	28,222	6,235	6,832	597
Miscellaneous	98,829	1,200	2,973	1,773
Total revenues	<u>5,032,841</u>	<u>4,826,965</u>	<u>5,308,435</u>	<u>481,470</u>
Expenditures:				
Current -				
Indigent defense Operations	<u>5,331,006</u>	<u>5,182,335</u>	<u>5,171,472</u>	<u>10,863</u>
Net change in fund balance	(298,165)	(355,370)	136,963	492,333
Fund balance, beginning	<u>496,583</u>	<u>496,583</u>	<u>496,583</u>	<u>-</u>
Fund balance, ending	<u>\$ 198,418</u>	<u>\$ 141,213</u>	<u>\$ 633,546</u>	<u>\$ 492,333</u>

19th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk of Court.

(2) Budget Adoption

The following procedures apply to establishing the budgetary data reflected in the supplementary information:

1. A proposed budget is prepared and submitted by the District 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 the fiscal year.

SUPPLEMENTARY INFORMATION

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

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	Six Month Period Ended 12/31/2021	Six Month Period Ended 06/30/2022
Receipts From:		
<i>East Baton Rouge Parish Sheriff, Bond Fees</i>	\$ 163,820	\$ 206,489
<i>East Baton Rouge Parish Sheriff, Criminal Court Costs/Fees</i>	268,748	126,412
<i>Baton Rouge City Court, Criminal Court Costs</i>	169,646	147,337
<i>Baker City Court, Criminal Court Costs/Fees</i>	11,923	11,346
<i>Baker City Court, Civil Fees</i>	7,156	1,000
<i>Zachary City Court, Criminal Court Costs/Fees</i>	7,795	20,568
<i>Zachary City Court, Civil Fees</i>	120	280
<i>East Baton Rouge Juvenile Court, Criminal Court Costs/Fees</i>	3,290	2,538
<i>Interest Earned</i>	4,838	1,995
<i>Other</i>	2,404,557	1,186,618
Total Receipts	\$ 3,041,893	\$ 1,704,583
Ending Balance of Amounts Assessed but Not Received	-	-

19TH JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Schedule of Compensation, Benefits and Other
Payments to Agency Head
For the Year Ended June 30, 2022

A detail of compensation, benefits and other payments to Lisa Parker, Chief Public Defender, is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 115,000
Benefits - Insurance	9,689
Benefits - Retirement	<u>8,625</u>
Total	<u>\$ 133,314</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
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C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

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
19th Judicial District Public Defenders' Office
Baton Rouge, 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 19th Judicial District Public Defender (the 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 27, 2022.

Report on 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 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and 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. Although the intended use of this report may be limited, 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

Baton Rouge, Louisiana
December 27, 2022

19th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2022

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

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

CRITERIA: Committee of Sponsoring Organizations (COSO) *Internal Control – Integrated Framework* and the Louisiana Legislative Auditor's *Governmental Auditing Guide*.

CAUSE: the District does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of fully segregating accounting functions and determined that it would not be cost effective to fully segregate these functions. We evaluated our processes, and to the extent practicable with our current staffing level, have reassigned duties and functions and have created compensating controls. While this may not be sufficient to eliminate this finding, we feel that we have taken appropriate steps to reduce the financial statement risk caused by inadequate segregation of accounting functions.

19th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2022

2022-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The District's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition is the result from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receive annual training related to their job duties. Additionally, we carefully review the financial statements, related notes and all proposed journal entries. All questions are adequately answered by our Auditors to allow us to appropriately supervise these functions. We feel that we have taken appropriate steps to reduce the financial statement risk caused by this finding.

B. Compliance

None reported.

19th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2022

Part II. Prior Year Findings:

A. Internal Control Over Financial Reporting

2021-001 Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: Unresolved. See item 2022-.001.

2021-002 Inadequate Support and/or Documentation of Bank Statements and Credit Cards

CONDITION: Bank reconciliations were not prepared properly and/or in a timely manner. Additionally, bank statements and credit card statements could not be obtained.

RECOMMENDATION: The District should implement policies and procedures to ensure proper controls are in place to a timely review bank and credit card statements and that bank reconciliations are properly prepared.

CURRENT STATUS: Resolved.

2021-003 Inadequate Support and/or Documentation of Retirement Benefits

CONDITION: The District did not remit retirement contributions in accordance with the 403(B)-retirement plan contribution rate. Employees eligible were either not enrolled after the 90-day enrollment period and/ or did not receive the full employer contribution.

RECOMMENDATION: The District should implement policies and procedures to ensure proper controls are in place for employee enrollment in related benefits and proper documentation of such.

CURRENT STATUS: Resolved.

19th JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE
Parish of East Baton Rouge

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2022

2021-004 Inadequate Documentation and/or Lack of Supporting Documentation of Salaries and Payment of Medical Insurance in Excess of Employer Portion

CONDITION: Support for pay increases were not formally documented. Additionally, the District may have paid medical insurance premiums in excess of employer portion throughout the year.

RECOMMENDATION: We recommend that the District implement written policies and procedures regarding employee enrollment in related benefits and documentation of such to ensure proper controls are in place for employee salaries and related benefits.

CURRENT STATUS: Resolved.

B. Compliance

2021-005 Improper remittance of Retirement Contributions

CONDITION: The District did not remit retirement contributions in accordance with the 403(B)-retirement plan contribution rate. Employees eligible were either not enrolled after the 90-day enrollment period and/ or did not receive the full employer contribution.

RECOMMENDATION: The District should implement policies and procedures to ensure proper employee enrollment in related benefits and compliance with 403(B)-retirement plan.

CURRENT STATUS: Resolved.

2021-006 Inadequate Documentation and/or Lack of Supporting Documentation of Salaries and Payment of Medical Insurance in Excess of Employer Portion

CONDITION: Support for pay increases were not formally documented. Additionally, the District may have paid medical insurance premiums in excess of employer portion throughout the year.

RECOMMENDATION: We recommend that the District implement written policies and procedures regarding employee enrollment in related benefits and documentation of such to ensure compliance with constitutional prohibitions and related statutes and that such policies and procedures be presented to and adopted by those charged with governance.

CURRENT STATUS: Resolved.

**19th JUDICIAL DISTRICT
PUBLIC DEFENDERS' OFFICE**
Baton Rouge, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2021 through June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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Brad E. Kolder, CPA, JD*
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the District Public Defender of the
19th 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. 19th Judicial District Public Defenders' Office's (the District) management is responsible for those C/C areas identified in the SAUPs.

The District 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 whether they address each of the following categories and subcategories (if applicable to public funds and the entity's 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, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(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 (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- 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) For those entities reporting on the governmental accounting model, 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. *Alternatively, for those entities reporting on the non-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.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional 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 that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

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 and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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/official 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 that 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 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).
- 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]
- 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 that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that 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, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - 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 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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 that 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 that 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 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 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 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.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that 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 that 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 or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 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 that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that 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 that State Bond Commission approval was obtained for each bond/note 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 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.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - 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.
 - 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.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, 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.
27. 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).

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 that 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.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Policies and Procedures:

The District does not have written policies and procedures addressing budgeting.

The District does not have written policies and procedures the addressing controls to ensure compliance with Public Bid Law or documentation required to be maintained for all bids and price quotes

The District does not have written policies and procedures addressing contracting.

The District does not have written policies and procedures addressing ethics.

The District does not have written policies and procedures addressing debt service.

The District does not have written policies and procedures addressing Information Technology Disaster/Business Continuity.

Cash Collections:

One out of the two cash collections tested were not deposited within one business day.

Management's Response:

Management of the District concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the District 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 District 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

Baton Rouge, Louisiana
December 27, 2022