

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**  
**FINANCIAL STATEMENTS**  
**June 30, 2022**

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
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**FINANCIAL STATEMENTS**  
June 30, 2022

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**DeSoto and Sabine Parishes, Louisiana**  
**FINANCIAL STATEMENTS**  
June 30, 2022

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## **Independent Auditor's Report**

Brian McRae, Chief Defender  
Eleventh and Forty-Second Judicial Districts Indigent Defender Fund  
Post Office Box 1004  
Mansfield, Louisiana 71052

I have audited the accompanying financial statements of the governmental activities of the Eleventh and Forty-Second Judicial Districts Indigent Defender Fund (the "Fund") as of and for the year ended June 30, 2022, and the related summary of significant accounting policies and notes to financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Eleventh and Forty-Second Judicial Districts Indigent Defender Fund as of June 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 10, General Fund Budgetary Comparison Schedule presented on pages 27 and 28 be presented to supplement the basic financial statements. Such 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Supplementary Information**

The Statement of Activities by District and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and Justice System Funding Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the Statement of Activities by District and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer, and Justice System Funding Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 16 on my consideration of the Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Fund's internal control over financial reporting and compliance.



Certified Public Accountant

Shreveport, Louisiana  
December 16, 2022

**Required Supplementary Information (Part I)**

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND  
DeSoto and Sabine Parishes, Louisiana**

Management's Discussion and Analysis  
For the Year Ending June 30, 2022

This section of the Eleventh and Forty-second Judicial Districts Indigent Defender Fund's (Indigent Defender Fund) annual financial report presents our discussion and analysis of the Indigent Defender Fund's financial performance during the year ending June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Indigent Defender Fund's basic financial statements and supplementary information in assessing the efficiency and effectiveness of our stewardship of public resources.

As noted in previous years' Management and Discussion, pursuant to Act No. 416 of the 2007 Regular Session of the Louisiana Legislature, the former 11<sup>th</sup> Judicial District, which was comprised of Sabine and DeSoto Parishes, was split along parish boundaries as of January 1, 2009. Sabine Parish became the "new" 11<sup>th</sup> Judicial District; and DeSoto Parish became the newly created 42<sup>nd</sup> Judicial District. One chief defender operates the two districts under a cooperative endeavor agreement as a single entity.

**FINANCIAL HIGHLIGHTS**

The Eleventh and Forty-second Judicial Districts Indigent Defender Fund experienced a decrease in its net position of \$150,353 (39.11%) during the year ended June 30, 2022. At June 30, 2022, the assets of the Fund exceeded its liabilities by \$234,086.

The Fund's total general and program revenues were \$582,167 during the year ended June 30, 2022, compared to \$688,216 during year ended June 30, 2021.

The Fund's governmental fund reported a total ending fund balance this year of \$217,536. This compares to the prior year ending fund balance of \$363,319, showing a decrease of \$145,783 (40.13%) for the current year.

**OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which include 1) governmental fund financial statements, 2) government-wide financial statements and 3) notes to the financial statements. The two types of financial statements present the Fund's financial position and results of operations from differing perspectives. A reconciliation is provided to facilitate the comparison between the governmental fund statements and the government-wide statements. The components of the financial statements are described below:

**Fund Financial Statements**

Fund financial statements provide detailed information regarding the Indigent Defender Fund's most significant activities and are not intended to provide information for the Indigent Defender Fund as a whole. Funds are accounting devices that are used to account for specific sources of revenues. All of the Indigent Defender Fund's funds are limited to its *general fund*, which is classified as a Governmental Fund. The *general fund* uses a modified accrual basis of accounting that focuses on near-term inflows, outflows, and balances of spendable resources. Assets reported by the *general fund* are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets. Unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.



## Government-Wide Financial Statements

The *government-wide financial statements* report information about the Indigent Defender Fund as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. The *statement of net position* presents information on all the Indigent Defender Fund's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Indigent Defender Fund is improving or deteriorating. The *statement of activities* presents information showing how the net position changed during the most recent period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

## Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Other Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The Indigent Defender Fund adopts an annual budget for the general fund. A budgetary comparison statement is provided to demonstrate budgetary compliance.

## Other Supplementary Information

A statement of activities by district is included for additional analysis purposes only and is not required for fair presentation in accordance with generally accepted accounting principles. The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfill the requirements of Louisiana Revised Statute 24:513(A)(3). The justice system funding reporting schedules are presented to fulfill the requirements of Louisiana Revised Statute 24:515.2.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the Statement of Net Position is below:

	June 30, 2022	June 30, 2021
<b>Assets</b>		
Cash	\$ 241,679	\$ 390,229
Accounts Receivables	31,913	23,452
Prepaid Expenses	6,458	6,190
Capital Assets, Net of Depreciation	10,261	14,930
Right-of-use Assets, Net of Amortization	84,568	-
Total Assets	<u>374,879</u>	<u>434,801</u>
<b>Liabilities</b>		
Accounts Payable and Other Liabilities	56,056	50,362
Lease Obligations	84,737	-
Total Liabilities	<u>140,793</u>	<u>50,362</u>
<b>Net Position</b>		
Unrestricted	223,825	369,509
Net Investment in Capital Assets	10,261	14,930
Total Net Position	<u>\$ 234,086</u>	<u>\$ 384,439</u>

Net position may serve over time as a useful indicator of the Eleventh and Forty-second Judicial Districts Indigent Defender Fund's financial position. The Indigent Defender Fund's total net position changed from a year ago, decreasing from \$384,439 to \$234,086. The largest portion of the Indigent Defender Fund's net position, \$223,825 (95.62%) as of June 30, 2022, is unrestricted and may be used to meet the ongoing obligations to the citizens of DeSoto and Sabine Parishes.

Accounts receivable increased 36.08% from \$23,452 to \$31,913 and accounts payable increased 11.31% from \$50,362 to \$56,056. At June 30, 2022, \$10,261 (4.38%) of the Indigent Defender Fund's net position reflects capital assets with a historical cost of \$51,624 and accumulated depreciation of \$41,363.

An analysis of the government-wide Statement of Activities is presented as follows:

	Year Ended June 30, 2022	Year Ended June 30, 2021
Revenues		
Judiciary Program Revenue		
Charges for services	\$ 209,988	\$ 275,576
Operating grants & contributions	371,983	412,354
General Revenue		
Interest revenue	196	286
Total Revenue	<u>582,167</u>	<u>688,216</u>
Program Expenses		
Judiciary	<u>732,520</u>	<u>815,423</u>
Increase (Decrease) in Net Assets	(150,353)	(127,207)
Net Position, Beginning	384,439	511,646
Net Position Ending	<u>\$ 234,086</u>	<u>\$ 384,439</u>

As the accompanying presentation demonstrates, the Indigent Defender Fund has decreased its reserves by \$150,353 at June 30, 2022. Approximately 36.07% (\$209,988) of the Fund's total revenues were derived through charges for services (court, bond and other related fees) compared to 40.04% (\$275,576) for the year ended June 30, 2021.

The Indigent Defender Fund received \$371,983 (63.90%) and \$412,354 (59.92%) of its total revenues from Louisiana state appropriations during the years ended June 30, 2022, and June 30, 2021, respectively. State Defender Assistance to the 11<sup>th</sup> District decreased \$35,036 or 9.53% from \$367,795 in the year ending June 30, 2021 to \$332,759 in the year ending June 30, 2022. State Defender Assistance to the 42<sup>nd</sup> District decreased \$5,335 or 11.97% from \$44,559 in the year ending June 30, 2021 to \$39,224 in the year ending June 30, 2022.

## FINANCIAL ANALYSIS OF THE FUND'S FUND

For the year ended June 30, 2022, differences between the government-wide presentation and the fund financial statements were due to prepaid insurance, depreciation changes associated with capital assets, and amortization charges and principal payments on a lease of a right-of-use asset.

## BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Indigent Defender Fund complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Indigent Defender Fund's budget was amended once during the year ended June 30, 2022. The actual revenues were more than budgeted amounts. Actual expenditures were more than the budgeted amounts by \$2,975 or 0.41%.

## **CAPITAL ASSET ADMINISTRATION**

The Fund made no capital asset purchases during the year ended June 30, 2022.

## **DEBT ADMINISTRATION**

For the year ended June 30, 2022, there was no debt activity and no debts are outstanding at year-end.

## **ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

For the fiscal year ending June 30, 2023, the following factors were considered when the budget was prepared:

- General and program revenues will remain consistent with the prior year.
- Other expenditures are expected to remain steady with the prior year.

## **REQUEST FOR INFORMATION**

This report is designed to provide a general overview of the Eleventh and Forty-second Judicial District Indigent Defender Fund, DeSoto and Sabine Parishes, Louisiana, and seeks to demonstrate the Indigent Defender Fund's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Brian McRae, Eleventh and Forty-second Judicial District Indigent Defender Fund, P. O. Box 1004, Mansfield, Louisiana, 71052.

## **Basic Financial Statements**

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

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

June 30, 2022

	Governmental Fund Statements		Government-Wide Statements	
	<u>General Fund Balance Sheet</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 241,679	\$ -	\$ 241,679	
Accounts receivable	31,913	-	31,913	
Prepaid expenses	-	6,458	6,458	
Capital assets, net of accumulated depreciation	-	10,261	10,261	
Right-of-use assets, net of accumulated depreciation		84,568	84,568	
Total Assets	<u>\$ 273,592</u>	<u>101,287</u>	<u>374,879</u>	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 52,838	-	52,838	
Accrued payroll	1,516	-	1,516	
Payroll tax liabilities	1,702	-	1,702	
Lease obligation, current	-	17,952	17,952	
Long-term Liabilities				
Lease obligation, long-term	-	66,785	66,785	
Total Liabilities	<u>56,056</u>	<u>84,737</u>	<u>140,793</u>	
<b>FUND BALANCE / NET POSITION</b>				
Fund Balance				
Unassigned	217,536	(217,536)	-	
Total Fund Balance	<u>217,536</u>	<u>(217,536)</u>	<u>-</u>	
Total Liabilities and Fund Balance	<u>\$ 273,592</u>	<u>\$ (132,799)</u>		
Net Position				
Net investment in capital assets		10,261	10,261	
Unrestricted		223,825	223,825	
Total Net Position		<u>\$ 234,086</u>	<u>\$ 234,086</u>	

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

**Reconciliation of Fund Balance on the Balance Sheet for Governmental Funds to  
Net Position of Governmental Activities on the Statement of Net Position**

Total Fund Balance for the Governmental Fund	\$	217,536
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Prepaid expenses involve payment with current financial resources that are attributable to fiscal periods beyond the end of the current year.		
		6,458
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Office equipment	\$ 51,624	
Less accumulated depreciation	<u>(41,363)</u>	10,261
Right-of-use assets for office space used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Present value of lease payments at inception	\$ 92,256	
Less accumulated amortization	<u>(7,688)</u>	84,568
Long -term lease obligations are not due and payable in the current period, and therefore, are not reported in the governmental fund.		
		<u>(84,737)</u>
Total Net Position of Governmental Activities	\$	<u><u>234,086</u></u>

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

## ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND

DeSoto and Sabine Parishes, Louisiana

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

For the year ended June 30, 2022

	Governmental Fund Statements		Government- Wide Statements
	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES/EXPENSES</b>			
Judiciary:			
Personnel services & benefits	\$ 75,036	\$ -	\$ 75,036
Professional development	1,275	-	1,275
Operating costs	651,158	(7,787)	643,371
Interest	481		481
Depreciation	-	4,669	4,669
Amortization	-	7,688	7,688
Total Expenditures/Judiciary Program Expenses	<u>727,950</u>	<u>4,570</u>	<u>732,520</u>
<b>JUDICIARY PROGRAM REVENUES</b>			
Operating grants and contributions:			
State government appropriations- general	371,983	-	371,983
Charges for services:			
Local government fines, fees & court costs	209,988	-	209,988
Total Program Revenues	<u>581,971</u>	<u>-</u>	<u>581,971</u>
Net Program Expense	(145,979)	-	(150,549)
<b>GENERAL REVENUES</b>			
Investment earnings	196	-	196
Total General Revenues	<u>196</u>	<u>-</u>	<u>196</u>
<b>Excess (Deficiency) of Revenues Over Expenditures/ Change in Net Position</b>	(145,783)	(4,570)	(150,353)
<b>Fund Balance/ Net Position:</b>			
Beginning of the year	363,319		384,439
End of the year	<u>\$ 217,536</u>		<u>\$ 234,086</u>

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the  
Governmental Fund to the Statement of Activities**

Total Net Change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (145,783)
 Governmental funds report expenses that involve payments with current financial resources, such as insurance and rent, in the year in which it is paid. In the Statement of Activities, payments that are attributable in current periods are recognized. This amount is the increase in prepaid expenses.	 268
 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. This is the amount by which capital outlays (\$0) exceed depreciation (\$4,669) in the current period.	 (4,669)
 Amortization expense on the Right of Use Assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the fund financial statements.	 (7,688)
 Principal payments on capital leases are shown as expenditures in the Governmental Funds, but the payments reduce long term-liabilities in the Statement of Net Position.	 7,519
 Total Changes in Net Position per Statement of Activities	 \$ <u><u>(150,353)</u></u>

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



**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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**INTRODUCTION**

The Eleventh and Forty-second Judicial Districts Indigent Defender Fund (Indigent Defender Fund) was established to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The district fund is regulated by the Louisiana Public Defender Board established by Louisiana Revised Statute 15:141-184 to provide effective legal representation to criminal defendants who are unable to afford an attorney, consistent with the right to counsel in criminal courts, mindful of the need for law and order and an appreciation of victim's rights. The Indigent Defender Fund is administered by district public defenders who are contracted with the Louisiana Public Defender Board to provide for the delivery and management of public defender services within the judicial district. Offices for the Eleventh and Forty-second Indigent Defender Fund are maintained in Mansfield, Louisiana.

Pursuant to Act No. 416 of the 2007 Regular Session of the Louisiana Legislature, the former 11<sup>th</sup> Judicial District, which was comprised of Sabine and DeSoto Parishes, was split along parish boundaries as of January 1, 2009. Sabine Parish became the "new" Eleventh Judicial District; and DeSoto Parish became the newly created Forty-second Judicial District. Whereas Act No. 416 made provisions for judges, law clerks, court reporters, and the district attorney and assistants, it made no provisions for public defender services of the districts after the split. One Chief Defender operates the two districts under a cooperative endeavor agreement as one entity. The agreement expired June 30, 2022. The Louisiana State Attorney General issued an opinion (Opinion 09-0212) on December 22, 2009 concluding that the cooperative endeavor agreement is permissible under the Louisiana Constitution Article VII, Section 14(A) and (C).

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Eleventh and Forty-second Judicial Districts Indigent Defender Fund have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

The more significant accounting policies established in GAAP and used by the Eleventh and Forty-second Judicial Districts Indigent Defender Fund are discussed below.

**A. REPORTING ENTITY**

For financial reporting purposes, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 14, the Eleventh and Forty-second Judicial Districts Indigent Defender Fund is a part of the operations of the district court system. However, the state statutes that create the indigent defender funds also gives the funds control over their operations including hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of monies. The Eleventh and Forty-second Judicial Districts Indigent Defender Fund is financially independent and operated autonomously from the State of Louisiana and independently from the district court system. Therefore, the Indigent Defender Fund reports as an independent reporting entity and the financial statements include only the transactions of the Eleventh and Forty-second Judicial Districts Indigent Defender Fund.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. BASIS OF PRESENTATION – BASIC FINANCIAL STATEMENTS**

The Indigent Defender Fund's basic financial statements include both government-wide (reporting the Fund as a whole) and fund financial statements (reporting the Fund's major fund).

**Governmental Fund Statements**

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

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

A fund is considered major if it is the primary operating fund of the entity. The Indigent Defender Fund maintains only one governmental fund.

General Fund. The General Fund is the primary operating fund of the Indigent Defender Fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.

**Government-Wide Statements**

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations, if appropriate.

The government-wide Statement of Activities reports both the gross and net cost of the Indigent Defender Fund's judicial function. This function is also supported by general government revenues (in this case interest revenue.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the judicial function. Operating grants include operating-specific and discretionary grants.

This government-wide focus is more on the sustainability of the Indigent Defender Fund as an entity and the change in the Indigent Defender Fund's net position resulting from the current year's activities.

**C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues or expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING (continued)**

**Accrual Basis—Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**Modified Accrual Basis—Governmental Fund Financial Statements**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. State government appropriations and revenue collected on the Fund's behalf by other local governments are recorded in the year the Fund is entitled to the funds. Fees collected by the Fund are recognized in the period in which they are received. Interest income on demand deposits is recorded monthly when the interest is earned and credited to the Fund's account. Interest income on time deposits is accrued at year end. Salaries and related benefits are recorded when employee services are provided. Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased. Substantially all other expenditures are recognized when the related fund liability is incurred.

**D. ASSETS, LIABILITIES, AND EQUITY**

**Cash and Interest-bearing deposits**

Cash includes amounts in interest-bearing demand deposits and certificates of deposit. Under state law, the Fund may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Fund may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**Accounts Receivable**

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

**Prepaid Expenses**

Payments made to vendors for insurance that will benefit periods beyond June 30, 2022 are recorded as prepaid expenses.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of that asset or materially extend the life of that asset are expensed as incurred.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. ASSETS, LIABILITIES, AND EQUITY (continued)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Lives</u>
Office Equipment	5 years

**Equity Classifications**

Net Position

The Fund classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Fund's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net resources that do not meet the definition of the above two components and is available for general use by the Fund.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at incurrence of the expense.

Fund Balances

In the governmental fund statements, fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used. In accordance with GASB 54, the Fund classifies fund balances in governmental funds as follows:

- Nonspendable--Amounts that are not in spendable form (such as prepaid expenses) or because they are legally or contractually required to be maintained intact.
- Restricted--Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. ASSETS, LIABILITIES, AND EQUITY (continued)**

- Committed--Amounts constrained by the Fund itself. To be reported as committed, amounts cannot be used for any other purpose unless the Fund takes the action to remove or change the constraint.
- Assigned--Amounts the Fund intends to use for a specific purpose.
- Unassigned--All amounts not included in other spendable classifications.

The Fund would typically apply an expenditure toward restricted fund balance and then to the other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**E. COMPENSATED ABSENCES**

The Indigent Defender Fund has the following policy relating to vacation and sick leave:

Employees of the Indigent Defender Fund, at the beginning of each calendar year, are allowed twenty days of non-cumulative paid time off, which encompasses both vacation and sick leave. There is no accumulation of vested benefits relating to any paid time off.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current-year expenditures when leave is actually taken.

**F. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

**G. CHANGE IN ACCOUNTING PRINCIPLE**

During the year ending June 30, 2022, the Eleventh and Forty-second Judicial Districts Indigent Defender Fund adopted GASB Statement No. 87 "*Leases*." The statement's objective is to improve accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-of-use an underlying asset.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

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**2. CASH AND CASH EQUIVALENTS**

At June 30, 2022, the Eleventh and Forty-second Judicial Districts Indigent Defender Fund has cash and cash equivalents (book balances) totaling \$241,679 as follows:

Demand deposits	\$ 241,479
Petty cash	200
Total	<u>\$ 241,679</u>

The cash and cash equivalents are subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana

Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Indigent Defender Fund that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Indigent Defender Fund's name.

At June 30, 2022, the Indigent Defender Fund has \$241,574 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

**3. RECEIVABLES**

The General Fund receivables of \$31,913 at June 30, 2022, are as follows:

Statutory fines, forfeitures, fees, court costs and other:	
Court costs	\$ 9,488
Bond fees and forfeitures	3,742
Defender Assistance Fund	16,133
Application fees	120
Other fees and costs	2,430
Total	<u>\$ 31,913</u>

**4. PREPAID EXPENSES**

Prepaid expenses of \$6,458 at June 30, 2022, consist of prepaid insurance.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2022, is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Office Equipment	\$ 51,624	\$ -	\$ -	\$ 51,624
Total	<u>51,624</u>	<u>-</u>	<u>-</u>	<u>51,624</u>
Less Accumulated Depreciation				
Office Equipment	36,694	4,669	-	41,363
Total	<u>36,694</u>	<u>4,669</u>	<u>-</u>	<u>41,363</u>
Capital Assets, Net	<u>\$ 14,930</u>	<u>\$ (4,669)</u>	<u>\$ -</u>	<u>\$ 10,261</u>

Depreciation expense of \$4,669 was charged to the judiciary function of the governmental activities.

**6. LEASES**

Under GASB 87 the Eleventh and Forty-second Judicial Districts Indigent Defender Fund recognizes all leases over one year as right-of-use assets at the present value of future lease payments, amortized over the term of the leases. The Eleventh and Forty-second Judicial Districts Indigent Defender Fund has a right-of-use asset lease of the following nature:

On February 1, 2022, the Eleventh and Forty-second Judicial Districts Indigent Defender Fund entered a lease with Citizen's National Bank for the right-of-use of two office suites inside the Citizens National Bank location at 94 Polk Street in Mansfield, Louisiana. for a 5-year term, with monthly payments of \$1600, at a rate of 1.63% or the Treasury Par Yield Curve Rate for 5 years on the date of inception.

Right-of-use assets and amortization activity as of and for the year ended June 30, 2022, is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2022</u>
Right-of-Use Asset	\$ -	\$ 92,256	\$ -	\$ 92,256
Total	<u>-</u>	<u>92,256</u>	<u>-</u>	<u>92,256</u>
Less Accumulated Amortization				
Right-of-Use Asset	-	7,688	-	7,688
Total	<u>-</u>	<u>7,688</u>	<u>-</u>	<u>7,688</u>
Right-of-Use Asset, Net	<u>\$ -</u>	<u>\$ 84,568</u>	<u>\$ -</u>	<u>\$ 84,568</u>

At June 30, 2022, amortization expense of \$7,688 was charged to the judiciary function.

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

**6. LEASES (continued)**

The changes in lease liabilities for June 30, 2022, are as follows:

Beginning Lease Liabilities	\$	-
Additions		92,256
Deductions		<u>(7,519)</u>
Ending Lease Liabilities	\$	<u>84,737</u>

Total interest expense on leases for the year ended June 30, 2022, was \$481.

The future minimum lease payments and interest required under the leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	17,953	1,247	19,200
2024	18,247	953	19,200
2025	18,547	653	19,200
2026	18,852	348	19,200
2027	11,138	62	11,200
Total	\$ <u>84,737</u>	\$ <u>3,263</u>	\$ <u>88,000</u>

**7. COOPERATIVE ENDEAVOR AGREEMENTS**

In addition to the cooperative endeavor agreement discussed in the introduction, the Forty-second Indigent Defender Fund has also entered into an agreement with the Thirty-ninth Judicial District Indigent Defender Fund on June 30, 2017. The current agreement expires June 30, 2022. It is agreed that the office manager of the Thirty-ninth Indigent Defender Fund shall be allowed use, for ten hours per week, a computer and other office equipment belonging to the Forty-second Judicial District Indigent Defender Fund.

**8. COMMITMENTS AND CONTINGENCIES**

The Eleventh and Forty-second Judicial Districts Indigent Defender Fund is not currently named as defendant in any current or pending litigation.

The Indigent Defender Fund participates in certain state-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.



**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

**9. GOVERNMENTAL FUND 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	\$	371,983	
Appropriations - special		-	
Revenue sharing		-	
Grants		-	
On-behalf payments		-	
Other		-	
Total		-	\$ 371,983

**Local Government**

Appropriations - general		-	
Appropriations - special		-	
Grants		-	
Statutory fines, forfeitures, fees, court costs, and other		209,988	
Taxes - millages, sales, special, and other		-	
Criminal court fund		-	
On-behalf payments		-	
Other		-	
Total		-	209,988

**Federal Government**

Grants - direct		-	
Grants - indirect (passed-through state)		-	
Total		-	-

**Other Grants and Contributions**

Non-profit organizations		-	
Private organizations		-	
Corporate		-	
Other		-	
Total		-	-

**Charges for Services**

-

**Investment earnings**

196

**Miscellaneous**

-

<b>Total Revenues</b>		\$ 582,167	
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**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
**DeSoto and Sabine Parishes, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
As of and for the Year Ended June 30, 2022

**9. GOVERNMENTAL FUND REVENUES AND EXPENDITURES (continued)**

**EXPENDITURES:**

**Personnel Services and Benefits**

Salaries	\$	69,731	
On-behalf payments - salaries		-	
Retirement contributions		-	
On-behalf payments - retirement		-	
Insurance		-	
On-behalf payments - insurance		-	
Payroll taxes		5,305	
Other		-	
Total		-	\$ 75,036

**Professional Development**

Dues, licenses, and registrations		1,275	
Travel		-	
Other		-	
Total		-	1,275

**Operating Costs**

Library and research		-	
Contract services - attorney/legal		585,950	
Contract services - other		27,785	
Lease - office		18,719	
Lease - autos and other		-	
Travel - transportation		-	
Travel - other		-	
Insurance		6,578	
Supplies		8,292	
Repairs and maintenance		-	
Utilities and telephone		3,702	
Other		613	
Total		-	651,639

**Debt Service**

-

**Capital outlay**

-

**Total Expenditures**

\$ 727,950

**10. SUBSEQUENT EVENTS**

Management has performed an evaluation of the Indigent Defender Fund's activities through December 16, 2022, which is the date the financial statements were available to be issued and determined that no events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

**Required Supplementary Information (Part II)**

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the year ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>Revenues</b>				
State government appropriations- general	\$ 283,316	\$ 354,465	\$ 371,983	\$ 17,518
Local government fines, fees & court costs	199,150	181,000	209,988	28,988
Investment earnings	100	175	196	21
<b>Total Revenues</b>	<u>482,566</u>	<u>535,640</u>	<u>582,167</u>	<u>46,527</u>
<b>Expenditures</b>				
Judiciary:				
Contract services - attorney/ legal	558,700	582,200	585,950	(3,750)
Contract services - other	13,500	10,950	10,935	15
Support staff salaries	66,000	68,400	69,731	(1,331)
Payroll taxes	5,050	5,305	5,305	-
Professional development	1,750	2,030	1,275	755
Professional services - accounting/audit	16,000	16,100	16,850	(750)
Office expenses	34,175	32,400	31,076	1,324
Travel	1,000	-	-	-
Capital outlays	2,000	-	-	-
Other	6,770	7,590	6,828	762
<b>Total Expenditures</b>	<u>704,945</u>	<u>724,975</u>	<u>727,950</u>	<u>(2,975)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(222,379)	(189,335)	(145,783)	43,552
Fund Balance, beginning of the year	363,319	363,319	363,319	
Fund Balance, end of the year	<u>\$ 140,940</u>	<u>\$ 173,984</u>	<u>\$ 217,536</u>	

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND  
DeSoto and Sabine Parishes, Louisiana**

**NOTES TO BUDGETARY COMPARISON SCHEDULE  
As of and for the Year ended June 30, 2022**

**Budgetary Information**

The District's Chief Public Defender directs the preparation of a proposed budget and submits it to the Louisiana Public Defender Board for approval by a specified date. The budget is then legally adopted by the Fund and amended during the year, as necessary. The budget is established and controlled by the Chief Defender at the objective level of expenditure. Amounts are available for expenditure only to the extent included within the budget. All appropriations lapse at year-end. The budget comparison schedule presents the original adopted budget and the final amended budget.

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Fund. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. The Indigent Defender Fund amended the budget once during the year.

The Eleventh and Forty-second Judicial District Indigent Defender Fund's budget is prepared in accordance with accounting principles accepted in the United States of America. The Eleventh and Forty-second Judicial District Indigent Defender Fund's budget is adopted annually on the modified accrual basis of accounting.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year. Amendments to the adopted budget are required if total revenues fail to meet budgeted revenues by 5% or more, and/or total actual expenditures exceed total budgeted expenditures by 5% or more. Total revenues were more than budgeted revenues. Actual expenditures were more than budgeted amounts by \$2,975, which was a variance of 0.41%.

The Eleventh and Forty-Second Judicial Districts Indigent Defender Fund is in compliance with the Louisiana Local Budget Act.

## **Other Supplemental Information**

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**

DeSoto and Sabine Parishes, Louisiana

**STATEMENT OF ACTIVITIES BY DISTRICT**

For the year ended June 30, 2022

	<u>Eleventh District</u>	<u>Forty-second District</u>	<u>Total</u>
Program Revenues			
Operating grants and contributions:			
State government appropriations- general	\$ 332,759	\$ 39,224	\$ 371,983
Charges for services:			
Local government fines, fees & court costs	66,803	143,185	209,988
Total Program Revenues	<u>399,562</u>	<u>182,409</u>	<u>581,971</u>
General Revenues			
Investment earnings	-	196	196
Total General Revenues	<u>-</u>	<u>196</u>	<u>196</u>
			-
<b>TOTAL REVENUES</b>	<u>399,562</u>	<u>182,605</u>	<u>582,167</u>
Expenditures/ Program Expenses			
Judiciary:			
Personnel services & benefits	37,519	37,517	75,036
Professional development	637	638	1,275
Operating costs	312,065	331,306	643,371
Interest	240	241	481
Depreciation	1,995	2,674	4,669
Amortization	3,844	3,844	7,688
Total Expenditures/ Judiciary Program Expenses	<u>356,300</u>	<u>376,220</u>	<u>732,520</u>
Change in Net Position	43,262	(193,615)	(150,353)
Net Position			
Beginning of the year	(330,339)	714,778	384,439
End of the year	<u>\$ (287,077)</u>	<u>\$ 521,163</u>	<u>\$ 234,086</u>

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
 DeSoto and Sabine Parishes, Louisiana

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

For the year ended June 30, 2022

	Brian McRae	
Purpose:		
Salary - contracted	\$	88,200
Benefits- Insurance		-
Benefits- retirement		-
Benefits- other		-
Car Allowance		-
Vehicle provided by government		-
Cell Phone		-
Per diem		-
Reimbursements		1,569
Registration fees		-
Meeting travel, meals and lodging		-
Continuing professional education fees		-
Professional dues		175
Unvouchered expenses		-
Special meals		-
Total	\$	<u><u>89,944</u></u>

The accompanying notes are an integral part of this statement.



**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

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

**ELEVENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND:**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/21</b>	<b>Second Six Month Period Ended 6/30/22</b>
	\$ <u>                    </u>	\$ <u>                    </u>
<b>Receipts From:</b>		
Sabine Parish Sheriff, Criminal Court Costs/Fees	7,830	13,529
Village of Florien, Criminal Court Costs/Fees	1,150	6,510
Sabine Parish Sheriff, Bond Fees	9,462	15,567
Sabine Parish Sheriff, Criminal Court Costs/Fees (Partial Reimbursements)	3,929	3,919
Louisiana Fee Collection, Criminal Court Costs/Fees (Partial Reimbursements)	<u>636</u>	<u>1,144</u>
<b>Total Receipts</b>	\$ <u>23,007</u>	\$ <u>40,669</u>

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

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

**FORTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER FUND:**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/21</b>	<b>Second Six Month Period Ended 6/30/22</b>
<b>Receipts From:</b>		
DeSoto Parish Sheriff, Criminal Court Costs/Fees	\$ 39,146	44,748
City of Mansfield, Criminal Court Costs/Fees	6,498	4,410
Town of Stonewall, Criminal Court Costs/Fees	75	45
Louisiana Fee Collection, Criminal Court Costs/Fees (Partial Reimbursements)	958	1,539
DeSoto Parish Sheriff, Bond Fees	24,385	11,480
DPS&C Corrections Services, Division of Probation and Parole, Probation/Parole/Supervision Fees		200
42nd Judicial District Court Probation Fund, Probation/Parole/Supervision Fees	<u>6,705</u>	<u>5,932</u>
<b>Total Receipts</b>	<b>\$ <u>77,767</u></b>	<b>\$ <u>68,354</u></b>

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

**Justice System Funding Schedule - Collecting/Disbursing Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session**  
For the year ended June 30, 2022

**ELEVENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND:**

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 12/31/21</b>	<b>Second Six Month Period Ended 6/30/22</b>
<b>Beginning Balance of Amounts Collected</b>	\$ -	\$ -
<b>Add: Collections</b>		
Other (Application Fees)	1,400	1,440
<b>Subtotal Collections</b>	<u>1,400</u>	<u>1,440</u>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
None	-	-
<b>Less: Amounts Retained by Collecting Agency</b>		
Amounts "Self-Disbursed" to Collecting Agency	1,400	1,440
<b>Subtotal Disbursements/Retainage</b>	<u>1,400</u>	<u>1,440</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	\$ <u>-</u>	\$ <u>-</u>

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

**ELEVENTH AND FORTY-SECOND JUDICIAL DISTRICTS INDIGENT DEFENDER FUND**  
DeSoto and Sabine Parishes, Louisiana

**Justice System Funding Schedule - Collecting/Disbursing Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session**  
For the year ended June 30, 2022

**FORTY-SECOND JUDICIAL DISTRICT INDIGENT DEFENDER FUND:**

	<b>First Six Month Period Ended 12/31/21</b>	<b>Second Six Month Period Ended 6/30/22</b>
<b>Cash Basis Presentation</b>		
<b>Beginning Balance of Amounts Collected</b>	\$ -	\$ -
<b>Add: Collections</b>		
Criminal Court Costs/Fees (Partial Reimbursements)	-	350
Other (Application Fees)	2,440	2,086
<b>Subtotal Collections</b>	<u>2,440</u>	<u>2,436</u>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
None	-	-
<b>Less: Amounts Retained by Collecting Agency</b>		
Amounts "Self-Disbursed" to Collecting Agency	2,440	2,436
<b>Subtotal Disbursements/Retainage</b>	<u>2,440</u>	<u>2,436</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	\$ <u>-</u>	\$ <u>-</u>

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

## **Other Reporting Required by Government Auditing Standards**

**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***

Brian McRae, Chief Defender  
Eleventh and Forty-Second Judicial Districts Indigent Defender Fund  
Post Office Box 1004  
Mansfield, Louisiana 71052

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of the governmental activities of the Eleventh and Forty-Second Judicial Districts Indigent Defender Fund (the "Fund") as of and for the year ended June 30, 2021, and the related notes to the financial statements and have issued my report thereon dated December 16, 2022.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fund's internal control.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any weaknesses in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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.

A handwritten signature in blue ink that reads "James D. McCallum, CPA LLC". The signature is written in a cursive style.

Certified Public Accountant

Shreveport, Louisiana  
December 16, 2022

**Summary of Audit Results**

1. The independent auditor's report expressed an unmodified opinion on the financial statements of Eleventh and Forty-Second Judicial Districts Indigent Defender Fund.
2. No instances of internal control deficiencies were disclosed during the examination.
3. No instances of noncompliance were disclosed during the examination.
4. No separate management letter was issued to Eleventh and Forty-Second Judicial Districts Indigent Defender Fund.

**Findings for the Year Ended June 30, 2022**

None.

**Findings for the Year Ended June 30, 2021**

None.



**Independent Accountant's Report on Applying Agreed-Upon Procedures**



8585 Business Park Drive  
Shreveport, Louisiana 71105  
Phone: 318.219.5020  
Fax: 318.798.1917  
info@jkmcpas.biz

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the District Defender  
The 11th and 42nd Judicial Districts  
Indigent Defender Fund and the  
Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by 11th and 42nd Judicial Districts Indigent Defender Fund (11/42 IDF) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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.  
*All the above Budgeting functions were noted without exception.*
  - 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.  
*All the above Purchasing functions were noted without exception.*
  - c) ***Disbursements***, including processing, reviewing, and approving.  
*All the above Disbursement functions were noted without exception.*

- 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).

*All the above Receipts/Collections functions were noted without exception.*

- 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.

*All the above Payroll/Personnel functions were noted without exception.*

- 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.

*All the above Contracting functions were noted without exception.*

- 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).

*All the above Credit Card functions were noted without exception.*

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

*All the above Credit Card functions were noted without exception.*

- 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.

*All the above Credit Card functions were noted without exception.*

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

*All the above Credit Card functions were noted without exception.*

- 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.

*Items (1), (2) and (4) are addressed, are addressed. Items (3), and (5) thru (6) are not addressed. (Exception).*

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

The above Sexual Harassment functions were noted as follows:

- 1.) Noted without exception
- 2.) The requirement for annual employee training was not addressed (Exception)
- 3.) The requirement for annual reporting was not addressed (Exception).

### ***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.

*The entity does not have a traditional governing board structure. The Louisiana Public Defender Board provides general oversight of the entity's activities; however, it does not exercise direct governance of the day-to-day activities of the entity.*

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

*The entity sends monthly financial reports to the Louisiana Public Defender Board. However, the reports are not required to present budget-to-actual comparison on the General Fund. The entity's outside accountant prepares monthly reports for the Chief Defender which does include a budget-to-actual comparison on the General Fund for management's review and action.*

- 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.

*No negative ending unassigned fund balance was noted in the prior year audit report.*

### ***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 or electronically logged);

*Noted without exception.*

- 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

*Noted without exception.*

- 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.

*Not applicable. There were no reconciling items outstanding for more than 12 months.*

### ***Collections (excluding electronic funds 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).

*Done without exception.*

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.

*Not applicable. The entity does not use 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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.

*No exceptions noted.*

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.

*No exceptions noted.*

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.

*No exceptions noted.*

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

*Done without exception.*

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

*Done without exception.*

- 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).

*I noted that cash received on August 19 and 20, 2021 was not deposited until August 26, 2021, five business days after receipt (Exception).*

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

*Done without exception.*

***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).

*Done without exception.*

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.

*With regard to the above procedures in subparagraphs a) through d), I noted the entity uses the services of an outside accounting firm that processes disbursements using their own accounting system. The accountant adds vendors as necessary upon receiving an approved invoice from management. As a compensating control, the outside accountant does not have check signing authority.*

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.

*No exceptions noted.*

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

*No exceptions noted.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

*The following procedures in paragraphs 11 through 13 are not applicable. The entity does not use credit cards, debit cards, fuel cards or 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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]



- 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 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)***

---

*The following procedures in paragraph 14 are not applicable. The entity did not incur any travel expenses during the fiscal year.*

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](http://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.

*None of the contracts examined were subject to the Louisiana Public Bid Law or Procurement Code.*

- 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).

*Not applicable. The entity is not subject to a governing body/board with respect to contracts.*

- 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).

*Not applicable. None of the contracts examined were amended.*

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

*Done without exception.*

### ***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.

*Done without exception.*

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

*Done without exception.*

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

*Done without exception.*

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

*Done without exception.*

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

*Done without exception.*

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

*N/A – No Terminations.*

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.

*Done without exception.*

### ***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.

*Done without exception.*

- 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.

*Done without exception.*

### ***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.

*Not applicable. The entity has no debt.*

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).

*Not applicable. The entity has no debt.*

### ***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.

*Done without exception.*

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.

*Done without exception.*

### ***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.

*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 #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*Done without exception.*

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).

*Done without exception.*

27. 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.

*Done without exception.*

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is 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.



Certified Public Accountant

Shreveport, Louisiana  
December 16, 2022

Management's Response to Agreed-Upon Procedures

June 30, 2022

To the Louisiana Legislative Auditor and James K. McClelland, CPA LLC

The following comprises management's responses to exceptions noted by our auditors during the performance of statewide agreed-up procedures as established by the Louisiana Legislative Auditor:

**Written Procedures**

Information Technology Exceptions:

Written policies and procedures do not address Items 3, 5, and 6 of the enumerated functions.

Management's response:

Management agrees. The written policies and procedures will be revised to address the noted business continuity functions.

**Collections**

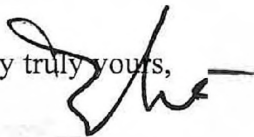
Exception noted:

A deposit for receipts on August 19 and 20, 2021 was not deposited until August 26, 2021, five business days after their receipt.

Management response:

Management agrees. However, it should be noted that the deposit totaled \$200 and the checks were all money orders made payable to the Fund. With the small staff, we simply cannot always deposit small amounts. We will, however, make it a priority to shore up this area.

Very truly yours,



Brian McRae  
Chief Defender