

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND**

**Annual Financial Report
And Independent Auditor's Report
As of and for the Year Ended
June 30, 2025**

KEITH M. RIVERE
Certified Public Accountant

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND
St. John the Baptist Parish, Louisiana**

Annual Financial Statements and
Independent Auditor's Report

As of and for the Year Ended
June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the District Public Defender
Fortieth Judicial District Public Defender Fund
La Place, Louisiana

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Public Defender Fund as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Public Defender 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 respective financial position of the governmental activities, major fund and aggregate remaining fund information of the Fortieth Judicial District Public Defender Fund as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 and the Louisiana Governmental Audit Guide. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Fortieth Judicial District Public 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 Fortieth Judicial District Public Defender Fund'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 Responsibility 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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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 Fortieth Judicial District Public Defender 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 Fortieth Judicial District Public Defender 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 I have 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 and budgetary comparison information, the schedule of employer's proportionate share of the Net Pension Asset, and the schedule of Employer pension contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fortieth Judicial District Public Defender Fund's basic financial statements. The schedule of compensation, benefits and other payments to agency head or chief executive officer and the Justice System Funding Schedule for Receiving Entities, as listed in the table of contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and directly related to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments to agency head or chief executive officer and Justice System Funding Schedules for Receiving Entities, 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 a report dated October 17, 2025, on my consideration of the Fortieth Judicial District Public Defender 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 solely 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 the effectiveness of the Fortieth Judicial District Public Defender Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Fortieth Judicial District Public Defender Fund's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated October 17, 2025, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Keith M. Rivere
Certified Public Accountant
October 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2025

The Management's Discussion and Analysis (MD&A) of the Fortieth Judicial District Public Defender Fund's financial performance present a narrative overview and analysis of the Public Defender Fund's financial activities for the year ended June 30, 2025. Please read this document in conjunction with the additional information contained in the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Public Defender Fund's total net position increased by \$91,493 or 39 percent over the course of the year's operations.
- Revenues increased by \$3,864 or .4 percent to \$997,149 while expenses for the year decreased by 2 percent or approximately \$19,155.
- The general fund reported a fund balance of \$323,196, an increase from June 30, 2024 of 29 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The minimum requirements for financial reporting on the Fortieth Judicial District Public Defender Fund that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the district as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- (1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the district from an economic resource measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the district's overall financial status.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2025

(2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the district allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements are dependent on the fund type. The district's main governmental fund is the General Fund. The statements in this section represent the short-term and long-term financing of general government.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of June 30, 2025 and 2024

	<u>6/30/25</u>	<u>6/30/24</u>
Current and other assets	\$395,998	\$304,775
Capital assets	4,452	6,643
Lease right to use asset	<u>82,725</u>	<u>100,140</u>
Total Assets	<u>483,175</u>	<u>411,558</u>
Deferred Outflows of Resources	<u>21,870</u>	<u>-0-</u>
Current liabilities	66,113	84,538
Long-term liabilities	<u>74,299</u>	<u>89,910</u>
Total Liabilities	<u>140,412</u>	<u>174,448</u>
Deferred Inflows of Resources	<u>36,030</u>	<u>-0-</u>
Net Position:		
Invested in capital assets, net of debt	4,452	6,643
Unrestricted	324,151	230,467
Restricted	-0-	-0-
Total Net Position	<u>\$328,603</u>	<u>\$237,110</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2025

The district's net position increased by \$91,493 or 39%.

The public defender fund does not have any "restricted" net position. The district does have "unrestricted" net position, and those are net position that do not have any limitations on what these amounts may be used for.

Statement of Activities
For the years ended June 30, 2025 and 2024

	<u>6/30/25</u>	<u>6/30/24</u>
Revenues		
Statutory fines, forfeitures, and court cost	\$329,501	\$304,684
Intergovernmental	44,701	41,241
Charges for services	5,987	8,704
Interest	246	105
Pension Related Revenue	3,438	-0-
State Revenue	613,276	638,551
	-----	-----
	<u>\$ 997,149</u>	<u>\$ 993,285</u>
	=====	=====
Expenditures		
Personnel	808,314	794,004
Other Operating	97,342	130,807
	-----	-----
	<u>905,656</u>	<u>924,811</u>
	=====	=====
Net Changes in Net Position	<u>\$ 91,493</u>	<u>\$ 68,474</u>
	=====	=====

During the fiscal year total revenues increased by \$3,864 or .4%. The total cost of all expenditure decreased by \$19,155, or 2%.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management’s Discussion and Analysis
As of and for the year ended June 30, 2025

CAPITAL ASSETS

As of June 30, 2025, the Public Defender has invested \$4,452 in equipment and furniture and \$82,725 in a right to use asset.

	<u>Governmental Activities</u>	
<u>Capital Assets</u>	<u>6/30/25</u>	<u>6/30/24</u>
Equipment & Furniture	\$22,940	\$22,940
Accumulated Depreciation	(18,488)	(16,297)
Net Capital Assets	\$ 4,452	\$ 6,643
	=====	=====
Right of Use Asset	\$121,910	\$121,910
Accumulated Amortization	(39,185)	(21,770)
	-----	-----
Net Right of Use Asset	\$ 82,725	\$100,140
	=====	=====

USING THIS ANNUAL REPORT

This annual report consists of a report on the general financial highlighted statements (above), a general report on the entity performance as a whole, and an activities statement on contributing factors affecting the Public Defender’s past and future financial conditions. Other supporting financial statements and comments are enclosed as components to the annual audit as presented by the auditing agent.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 33 percent of its revenues. The principal funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the District’s workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the Public Defenders’ legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana
Management's Discussion and Analysis
As of and for the year ended June 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney's use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2018.

The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the district's finances, and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Ms. Fontella Baker, District Public Defender of the Fortieth Judicial District Public Defender Fund, 75 Dominican Drive, Suite 202, La Place, Louisiana, or telephone, 985-651-6677 (extension 6682).

BASIC FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
Governmental Funds Balance Sheet/Statement of Net Position

June 30, 2025

	General Fund	Other Funds	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and cash equivalents	\$261,139	\$0	\$261,139	-	\$261,139
Certificates of Deposit	60,000		60,000		60,000
Receivables	42,405	0	42,405	-	42,405
Net Pension Asset				32,454	32,454
Capital assets, net of accumulated depreciation (Note C)		0	-	4,452	4,452
Right of use assets, net of accumulated amortization (Note C)				82,725	82,725
Total Assets	\$363,544	\$	\$363,544	119,631	\$483,175
DEFERRED OUTFLOWS OF RESOURCES					
	0	0	0	21,870	21,870
LIABILITIES					
Liabilities:					
Cash overdraft	\$	\$	\$	\$	\$
Accounts payable	33,168		33,168	-	33,168
Payroll Tax Payable	621		621		621
Accrued Payroll	6,559		6,559		6,559
Accrued Compensated Absences			-	10,154	10,154
Long-term liabilities					-
Due within one year				15,611	15,611
Due after one year				74,299	74,299
Total Liabilities	\$40,348		\$40,348	\$100,064	\$140,412
DEFERRED INFLOWS OF RESOURCES					
	0	0	0	36,030	36,030
FUND BALANCES/NET POSITION					
Fund balances:					
Reserved for inventories					
Unassigned, reported in:					
General Fund	323,196		323,196	(323,196)	-
Other Funds					
Total Fund Balances	323,196		323,196	(323,196)	-
Total Liabilities and Fund Balances	\$ 363,544		\$ 363,544	\$ (223,132)	\$ 140,412
NET POSITION					
Invested in Capital Assets, Net of Related Debt				4,452	4,452
Restricted				-	-
Unrestricted				324,151	324,151
Total Net Position				\$ 328,603	\$ 328,603

\$ -

The accompanying notes are an integral part of this statement.

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUNDS

Statement of Governmental Fund Revenues,
Expenditures, and Changes in Fund Balances/
Statement of Activities
For the Year Ended June 30, 2025

	General Fund	Other Funds	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Public Defender:					
Personal Services	\$315,215		\$315,215	(5,231)	\$309,984
Contract Services-Attorneys	426,714		426,714		426,714
Related Benefits	81,241		81,241	(14,856)	66,385
Travel and professional development	8,673		8,673		8,673
Operating Services	67,219		67,219		67,219
Office Lease	-		-		-
Depreciation	-		-	2,191	2,191
Amortization	-		-	17,415	17,415
Capital Outlay-Equipment	-		-	-	-
Capital Outlay-Right of Use Asset	-		-	-	-
Debt Service-Principal	14,525		14,525	(14,525)	-
Debt Service-Interest	7,075		7,075		7,075
Total Expenditures/Expenses	920,662	-	920,662	(15,006)	905,656
PROGRAM REVENUES					
Charges for services	5,987		5,987		5,987
Statutory fines, forfeitures, fees and court costs	329,501		329,501		329,501
Other charges	44,701		44,701		44,701
Net Program Expense (Revenue)	540,473	-	540,473	(15,006)	525,467
GENERAL REVENUES					
State revenue	613,276		613,276		613,276
Pension Related Revenue	-		-	3,438	3,438
Investment earnings	246		246		246
Total General Revenues	613,522	-	613,522	3,438	616,960
OTHER FINANCING SOURCES					
Lease Financing			-	-	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION					
	73,049	-	73,049	18,444	91,493
FUND BALANCE/NET POSITION:					
Beginning of the Year	250,147		250,147	(13,037)	237,110
End of Year	\$ 323,196	\$ -	\$ 323,196	\$ 5,407	\$ 328,603

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

INTRODUCTION

The Fortieth Judicial District Public Defender Fund was established in compliance with Louisiana Revised Statutes 15:141-149 and modified by Act 307 implemented August 15, 2007. The purpose of the Public Defender Fund is to provide adequate legal representation of indigent persons charged with commission of criminal offenses and abuse or neglect of children. The Public Defender Fund encompasses the parish of St. John the Baptist, which is in the State of Louisiana. The Public Defender is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. The Louisiana Public Defender Board governs the Louisiana Public Defender Office and the Fortieth Judicial District Public Defender Office. Revenues to finance the Public Defender's operations are provided primarily from court costs imposed by the various courts within the District and State Revenues received through distributions from the Louisiana Public Defender Office.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying basic financial statements of the Fortieth Judicial District Public Defender Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, GASB Statement No. 65, *Items previously reported as Assets and Liabilities*, Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment to GASB Statement No. 27, and GASB Statement 87, *Leases*.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

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

Pensions

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

2. Reporting Entity

For financial reporting purposes, the Fortieth Judicial District Public Defender Fund is considered its own separate financial reporting entity. All funds, activities, etc. controlled by the fund as an independently established entity are included as a part of this financial reporting body. There are no other component unit. The members of the Fortieth Judicial District Public Defender Fund are solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the Fortieth Judicial District Public Defender Fund.

3. Fund Accounting

The District Public Defender Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Public Defender functions and activities. A fund is designed as a separate fiscal and accounting entity with a self-balancing set of accounts. The fund of the Public Defender is classified as governmental.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

Governmental funds account for all the District Public Defender Fund's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the District Public Defender. The following is the District Public Defender Fund's governmental fund:

General Fund - the primary operating fund of the Public Defender and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose it is expended or transferred in accordance with state and federal laws and according to Public Defender policy.

4. Measurement Focus/Basis of Accounting **Fund Financial Statements (FFS)**

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

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities of the current period. The Public Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All major revenues (court fines) are susceptible to accrual.

Expenditure:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Public Defender as a whole. These statements include all the financial activities of the District Public Defender. Information contained in these columns reflects 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). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed directly from the District Public Defender's general revenues.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reconciliation

The reconciliation of the items reflected in the fund column to the and Statement of Net Position (Statement A) and Statement of Activities (Statement B) are as follows:

Fund Equity, Governmental Fund	\$323,196
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Property, Plant, & Equipment	4,452
Lease Right of Use Asset	82,725
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	21,870
Long-term assets are not realizable in the current period and therefore, are not reported in the governmental funds:	
Net pension asset	32,454
Lease Liability	(89,910)
Accrued Compensated Absences	(10,154)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.	(36,030)
Net Position of Governmental Activities	<u>\$328,603</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Change in Fund Balance-Governmental Funds	\$ 73,049
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. In the current year:	
Expenditures for Capital assets	\$-0-
Less current depreciation expense	<u>(2,191)</u>
Amortization of lease right of use that exceeded expenditures for lease payments	(2,890)
Accrued Compensated Absences	5,231
Other net income (expense) related to implementation of pension asset	18,294

Change in Net position of governmental activities	<u>\$ 91,493</u>

5. Budgets and Budgetary Accounting

The Public Defender's office follows these procedures in establishing the budgetary data reflected in the financial statements:

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. In accordance with the Budget Act of the State of Louisiana, the Public Defender prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. The budget is made available for public inspection for a fifteen-day period prior to a public hearing held to obtain taxpayer comment.
3. The budget for the General Fund is adopted on the cash basis of accounting.
4. The budget is adopted at the public hearing and is authorized for implementation on the first day of the fiscal year.
5. All annual appropriations lapse at year-end.

The following is a reconciliation of the excess of revenues over expenditures on Schedule 1 (budget comparison) with the excess of revenues over expenditures on Statement B for the General Fund:

	<u>General Fund</u>
Excess (Deficiency) of receipts over disbursements – Schedule 1	\$ 68,925
Add:	
+ Receivables at June 30, 2025	42,405
+ Liabilities at June 30, 2024	47,007
Less:	
- Receivables at June 30, 2024	(45,562)
- Liabilities at June 30, 2025	<u>(39,726)</u>
Excess (Deficiency) of revenues over expenditures – Statement B	\$ 73,049 <u>=====</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Encumbrances

The Public Defender does not use encumbrance accounting.

7. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. The Public Defender considers all highly liquid investments with a maturity of 90 days or less when purchased to be cash equivalents. Under state law, the Public Defender may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

8. Court Cost Receivables

Receivables include amounts which were due to be received by June 30, 2025, but were not actually received until after June 30, 2025. Collection is assured for receivables for court costs and forfeitures and bail bond fees; these fees are recognized as revenue when earned.

9. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Public Defender maintains a threshold level of \$300 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, fixtures and equipment	5 years

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Annual and Sick Leave

Vacation (annual) leave is accumulated by employees at a variable rate, which is predetermined by the Chief Public Defender and depends on the employee's years of service. The leave is accumulated on a monthly basis and is credited at the end of each month. Vacation and personal time have no cash value, may not be carried over to the next calendar year, and may not be redeemed for cash. Leave must be taken or lost. The Chief Defender may accrue 120 hours per year for a maximum of 480 hours. A long-term liability is set up on the financial statements to account for the amount due to the employee who have accumulated annual leave as of the end of the year.

There are no paid leave provisions for contractors who are denied pay when they miss scheduled court appearances for any reason, including handling a case in their private practice, illness, or vacation.

11. Long-Term Liabilities

Long-Term Liabilities include obligations of capitalized leases.

12. Estimates

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

13. Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Equity Classifications

- b. Restricted net position – Consists of assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt,” or deferred outflows of resources, liabilities, and deferred inflows of resources.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental fund equity is classified as fund balance. The Public Defender has adopted GASB Statement 54 for the year ended June 30, 2025. As such, fund balance of the governmental fund is classified as follows:

Non-spendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted- represents balances where constraints have been established by parties outside the Public Defenders office or imposed by law through constitutional provisions or enabling legislation.

Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Public Defender.

Assigned- represents balances that are constrained by the Public Defender's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned- represents balances for which there are no constraints.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Public Defender reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Public Defender reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

NOTE B – CASH

On June 30, 2025, the Public Defender Fund had cash (book balances) as follows:

	Current
	Unrestricted
Demand deposit	\$261,139
Time deposits	<u>60,000</u>
Total	<u>\$321,139</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always 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. On June 30, 2025, the district had \$331,743 in deposits (collected bank balances). These deposits were secured from risk in the amount of \$310,000 by federal deposit insurance. However, these deposits were not secured from risk in the amount of \$21,743.

Custodial Credit Risk-Is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2025, \$21,743 of the bank balance was exposed to custodial credit risk.

Interest Rate Risk-The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE C – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<hr/>				
Governmental activities:				
Furniture, Fixtures, Equipment & Computers	\$22,940	\$ -0-	\$(-0-)	\$22,940
Less: Accumulated Depreciation	<u>16,297</u>	<u>2,191</u>	<u>(-0-)</u>	<u>18,488</u>
Total	6,643	(2,191)	(-0-)	4,452
Right of Use Asset	121,910	-0-	-0-	121,910
Less accumulated amortization	<u>21,770</u>	<u>17,415</u>	<u>-0-</u>	<u>39,185</u>
Total	100,140	(17,415)	-0-	82,725
Net Capital Assets	<u>\$106,783</u>	<u>\$(19,606)</u>	<u>\$ -0-</u>	<u>\$87,177</u>

For the year ended June 30, 2025, depreciation expense was \$2,191 and amortization expense of \$17,415.

Leased assets will be amortized over the lease term. Unamortized lease assets to be amortized in future periods are as follows:

<u>Year Ending June 30,</u>	
2026	17,415
2027	17,415
2028	17,415
2029	17,415
2030	<u>13,065</u>
Total	\$ 82,725

NOTE D – ACCRUED ANNUAL LEAVE

On June 30, 2025, employees of the District Public Defender have accumulated and vested amounts of employee annual leave benefits, which are computed in accordance

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

with GASB Codification Section C60. The amount is recorded in the statement of net position as a long-term liability, and the calculation is based on the number of hours each employee has earned and credited to their benefit times their individual hourly rate at the end of the year.

NOTE E – PENSION PLAN

All full time employees of the District, regularly scheduled over 28 hours, are eligible to be members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system, controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Eligible employees of the District are members of Plan B. Contributions of participating agencies are pooled within the system to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Employees hired prior to 1/1/07 are eligible to retire with 7 years of creditable service at age 65, 10 years of creditable service at age 60 or with 30 years of creditable service at age 55. Employees hired 1/1/07 and later are eligible to retire with 7 years of service at age 67, 10 years of service at age 62 or with 30 years of service at age 55.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to 2% of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits: Plan B members need 10 years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with 20 or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

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

Deferred Retirement Option Plan: Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for 3 years

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

Disability Benefits: For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least 5 years of creditable service or if hired after January 1, 2007, has 7 years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to 2% of the member's final average compensation multiplied by his years of service, not to be less than 15, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost of Living Increases: The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937).

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions: According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2024, the actuarially determined contribution rate was 5.50% for member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2024 was 7.5% for Plan B. Members are required to contribute 3.0% of their annual covered salary and the District is required to contribute 7.5% of annual covered payroll. The District contributed \$19,036 during the fiscal year ending June 30, 2025 as its share of contributions. The District does not guarantee the benefits granted by the retirement system.

Non-Employer Contributions: According to the state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge Parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources: At June 30, 2025, the District reported a net pension asset of \$32,454. The net pension assets / liabilities are measured as of December 31, 2024 and the total pension asset used to calculate the net pension obligation was determined by separate actuarial valuations performed as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the District's proportional share of PERS was 0.1090131%.

At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

Deferred Flows of Resources:	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 10,348	\$ 518
Net difference between projected and actual earnings on Pension Plan Investments		14,013
Changes in Assumption	2,220	
Changes in Proportion		21,499
Employer contributions subsequent to measurement date	9,302	
	<u>\$ 21,870</u>	<u>\$ 36,030</u>

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

The District reported \$21,870 as deferred outflow of resources related to pension contributions made subsequent to the plan's measurement period of December 31, 2024 which will be recognized as an liability in net pension asset in the District's fiscal year ended June 30, 2025.

Actuarial Methods and Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability for Plan B as of December 31, 2024 are as follows:

Valuation Date	December 31, 2024
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40% (Net of investment expense)
Expected Remaining Service lives	4 years
Projected Salary Increases	4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled Annuitants.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

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

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

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

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.4%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.4% or one percentage point higher 7.4% than the current rate.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

	Plan B Changes in Discount Rate 2024		
	1% Decrease (5.4%)	Current Discount Rate (6.4%)	1% Increase (7.4%)
Net Pension Liability (Asset)	\$ 80,895	\$ 32,454	\$ (127,368)

NOTE F – OTHER POSTEMPLOYMENT BENEFITS

The Fortieth Judicial District Public Defender Fund does not provide any other post-employment benefits.

NOTE G – LEASES AND COMMITMENTS

The Public Defender Office leases office space and equipment. The various lease commitments are as follows.

1. On April 1, 2023, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for office space for 60 months in the amount of \$1,800 per month. In the current year, \$21,600 was paid in main office lease payments. The lease agreement provides for one renewal option for a 24-month period that the Office is reasonably certain to exercise. The monthly renewal amount is \$1,980 per month, an additional 10%.
2. On August 15, 2022, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for a copier on a month-to-month basis. In the current year, \$1,770 was paid in copier lease payments.
3. On February 23, 2025, the Fortieth Judicial District Public Defender Office entered into a finance lease agreement for storage space under a one-year lease. In the current year, \$2,200 was paid for file storage space.

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

The following is a summary of lease liability transactions of the Public Defender Office for the year ended June 30, 2025

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability	\$104,435	-0-	\$14,525	\$ 89,910

The Public Defender Office’s principal and interest requirements to maturity (Minimum lease payments) are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2026	15,611	5,989	21,600
2027	16,778	4,822	21,600
2028	18,575	3,565	22,140
2029	21,652	2,108	23,760
2030	17,294	526	17,820
	-----	-----	-----
Total	\$ 89,910	\$17,010	\$106,920

NOTE H – LITIGATION AND CLAIMS

The Public Defender is not involved in any litigation and is not aware of any claims outstanding that require disclosure in the accompanying financial statements.

NOTE I– CONCENTRATIONS

A large portion of the revenue earned by the district comes from the Parish of St John the Baptist in the form of bail bond fees, forfeitures, and court cost. The principal funding source consists of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the Public Defender’s workload or expenses. External factors such as reduction in enforcement activities, convictions, and assessment of court cost could result in a reduction in revenue.

NOTE J – ECONOMIC FACTORS

The Public Defender is dependent on bail bond fees, forfeitures, and court cost collected in St. John the Baptist Parish for approximately 33 percent of its revenues. The principal

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

funding source consist of payments of court cost by persons pleading guilty to misdemeanor and traffic offenses, which is an uncertain amount that fluctuates from month to month and is entirely unrelated to the district's workload or expenses. External factors such as reduction in enforcement activities, convictions, assessment of court cost, and effective collection of the amounts assessed, all controlled by others who are the Public Defenders' legal adversaries within the criminal justice system, could result in some unknown or unknowable reduction of the amount of projected revenues.

Two of the main reasons for the reduction in revenue is due to the Sheriff ceasing participation in the L.A.C.E. ticket writing program and the District Attorney's use of the pre-trial intervention and diversion programs. The principal funding source was curtailed by the sudden unilateral cessation by the local sheriff of his participation in the L.A.C.E ticket-writing program, in July 2016, despite a 5-year agreement to participate. The resumption of ticket-writing occurred in fiscal year ending June 30, 2020.

The local District Attorney takes advantage of the authority to use the pre-trial intervention and diversion program to derive funding for that office, which reduces court costs allocated to the Indigent Defender Fund, and numerous other agencies that receive a portion of court costs collected, resulting in further unknown future revenue.

NOTE K – HEALTH CARE AND LIFE INSURANCE BENEFITS

Beginning in January 2020, all employees of the 40th Judicial District Public Defender Office working 30 hours per week, or more were offered coverage on a Group Policy of Health Insurance. The district pays for 85% of the monthly premium for each employee only. Coverage for family members is not paid for by the district. The employee pays for the other 15% through a payroll deduction. There is a 90-day waiting period after commencing employment to be eligible for this benefit.

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, October 17, 2025, and determined that there were no additional subsequent events requiring disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

NOTE M -- RISK MANAGEMENT

The Public Defenders Office is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defenders Office has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the year that exceeded the Public Defenders Office's coverage.

The management of the Public Defender Office has not purchased commercial insurance or made provisions to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE N - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended June 30, 2025, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government

Appropriations - general	\$613,276	
Appropriations - special		
Other		
Total	<u> </u>	\$613,276

Local Government

Appropriations - general		
Statutory fines, forfeitures, fees, court costs, and other	\$329,501	
Taxes - millages, sales, special, and other		
Condition of Probation	<u>44,701</u>	
Total		\$374,202

Charges for Services \$5,987

Investment earnings \$246

Total Revenues \$ 993,711

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER FUND

St. John the Baptist Parish, Louisiana

Notes to the Financial Statements

June 30, 2025

Expenditures:

Personnel Services and Benefits

Salaries	\$315,215	
On-behalf payments - salaries		
Retirement contributions	19,036	
On-behalf payments - retirement		
Insurance	38,872	
On-behalf payments - insurance		
Payroll taxes	23,333	
Other		
Total		\$396,456

Professional Development

Dues, licenses, and registrations	2,795	
Travel	2,008	
Other		
Total		4,803

Operating Costs

Library and research	1,459	
Contract services - attorney/legal	426,714	
Contract services - other	18,173	
Lease - office	-	
Lease - autos and other	3,970	
Travel - transportation	6,665	
Travel - other	-	
Insurance	11,457	
Supplies	7,017	
Repairs and maintenance	3,600	
Utilities and telephone	7,196	
Other	11,552	
Total		497,803

Debt Service-Principal	\$14,525
Debt Service-Interest	\$7,075

Capital outlay	<u>\$0</u>
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Total Expenditures	<u>\$ 920,662</u>
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REQUIRED SUPPLEMENTAL INFORMATION

FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(Cash Basis) and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts Cash Basis	Variance Favorable (Unfavorable) Cash Basis	Actual Amount GAAP Basis
	Original	Final			
REVENUES					
Charges for services	\$ 8,249	\$ 5,278	\$ 5,763	\$ 485	\$ 5,987
Statutory fines, forfeitures, fees and court costs	301,777	306,086	322,509	16,423	329,501
Other charges	42,279	42,279	42,330	51	44,701
State revenue	489,768	585,866	626,020	40,154	613,276
Federal Grant	-	-	-	-	-
Investment earnings	85	285	246	(39)	246
Miscellaneous	-	-	-	-	-
Total revenues	842,158	939,794	996,868	57,074	993,711
EXPENDITURES					
Personal Services	282,120	314,320	314,685	(365)	315,215
Contract Services-Attorneys	488,401	485,293	431,881	53,412	428,714
Related Benefits	94,276	81,111	80,241	870	81,241
Travel and professional development	5,472	7,203	8,213	(1,010)	8,673
Contract Services-Other	14,340	20,931	21,431	(500)	18,173
Office Lease	21,600	21,600	21,600	-	-
Insurance	12,514	11,457	11,457	-	11,457
Operating Services	36,658	38,551	38,435	116	37,589
Depreciation	-	-	-	-	-
Amortization	-	-	-	-	-
Capital Outlay-Equipment	-	-	-	-	-
Capital Outlay-Right of Use Asset	-	-	-	-	-
Debt Service-Principal	-	-	-	-	14,525
Debt Service-Interest	-	-	-	-	7,075
Total Expenditures/Expenses	955,381	980,466	927,943	52,523	920,662
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(113,223)	(40,672)	68,925	109,597	73,049
OTHER FINANCING SOURCES (Uses)					
Lease Financing	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(113,223)	(40,672)	68,925	109,597	73,049
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	251,593	251,593	251,593	-	250,147
FUND BALANCE (Deficit) AT END OF YEAR	\$ 138,370	\$ 210,921	\$ 320,518	\$ 109,597	\$ 323,196

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER
 SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION ASSET
 JUNE 30, 2025

Actuarial Valuation Date	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2025	0.190131%	(32,454)	262,597	-12.36%	101.97%

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 JUNE 30, 2025

Actuarial Valuation Date	Contractually Required Contributions	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a percentage of covered payroll
June 30, 2025	19,036	19,036		262,597	7.25%

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

Schedule 2

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDERS OFFICE
St. John the Baptist Parish, Louisiana
GOVERNMENTAL FUND - GENERAL FUND**

**Schedule of Compensation, Benefits, and Other
Payments to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2025**

Agency Head Name: Fontella F. Baker, District Public Defender

<u>Purpose</u>	<u>Amount</u>
Salary	135,183.00
Benefits - Insurance	11,147.00
Benefits - Retirement	9,737.00
Benefits - Other	
Benefits - Payroll Taxes	10,061.00
Car Allowance	
Vehicle provided by government	
Per diem	
Dues	
Travel/Auto Mileage	3,264.00
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses	
Special meals	

The accompanying notes are an integral part of this statement.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE

Schedule 3

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 12/31/24	Second Six Month Period Ended 06/30/25
Receipts From:		
<i>St. John the Baptist Parish Sheriff, Criminal Court Costs/Fees</i>	110,705	134,998
<i>St. John the Baptist Parish Sheriff, Criminal Fines - Other</i>	24,930	39,184
Subtotal Receipts	135,635	174,182
Ending Balance of Amounts Assessed but Not Received	-	-

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

KEITH M. RIVERE, CPA

**75 Dominican Drive
Suite 206
LaPlace, LA 70068
(985) 652-6029**

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

To the District Public Defender
Fortieth Judicial District
Public Defender Fund
La Place, Louisiana

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, the financial statements of the governmental activities and the major fund of the Fortieth Judicial District Public Defender Fund which comprise the statement of net position as of June 30, 2025, and the related statement of activities for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated October 17, 2025.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fortieth Judicial District Public Defender Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fortieth Judicial District Public Defender Fund's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fortieth Judicial District Public Defender 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 that is more than inconsequential 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 paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, identified as findings 25-001(IC) and 25-002(IC), that I consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Public Defender Fund's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 25-003.

Response to Findings

The Fortieth Judicial District Public Defender Fund's response to the findings identified in my audit is described in the accompanying schedule of current and prior year audit findings and corrective action plan. The Fortieth Judicial District Public Defender Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Keith M. Rivere
Certified Public Accountant
October 17, 2025

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER'S OFFICE
Parish of St. John the Baptist

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2025

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

Internal Control Over Financial Reporting

2025-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER'S OFFICE
Parish of St. John the Baptist

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2025

2025-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: We will evaluate the cost vs. benefit of establishing controls over financial reporting and determine if hiring a part-time independent CPA, not the external auditor, to convert and prepare the financial statements and disclosures in accordance with GAAP. Currently, our financial staff receive annual training related to their job duties. Additionally, we carefully review the financial statements, related notes and all proposed journal entries. All questions are adequately answered by our Auditors to allow us to appropriately supervise these functions. We feel that we have taken appropriate steps to reduce the financial statement risk caused by this finding.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER'S OFFICE
Parish of St. John the Baptist

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2025

Compliance:

2025-003 Noncompliance with LSA-R.S. 39:1225

CONDITION: At June 30, 2025, the District was not in compliance with Louisiana Revised Statutes (LSA-R.S.) 39:1225. This statute states that the amount of funds on deposit with financial institutions must, at all times, be one hundred percent secured. The District had unsecured deposits of approximately \$21,743 at one financial institution at June 30, 2025.

CRITERIA: Louisiana Revised Statute 39:1225 requires all local governmental funds on deposit with financial institutions be secured by FDIC insurance and/or by a pledge of securities sufficient to collateralize and secure 100% of all funds on deposit with financial institutions.

CAUSE: Due to an increase in the State funding schedule, and resulting cumulative increase in annual revenue collected, bank balances at June 30, 2025 at the District's depository institution have risen to exceed the FDIC insured amount.

EFFECT: The cumulative increase in deposit account balances during fiscal year June 30, 2025 have caused the amount on deposit with the District's depository institution to exceed the FDIC insured limit by approximately \$21,743.

RECOMMENDATION: The District should take measures to continuously monitor deposit account balances, and coordinate with the appropriate financial institution to ensure all deposit accounts in excess of federal deposit insurance are properly collateralized or spread existing deposited funds between multiple depository institutions in order to maximize insured limits.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management concurs systematic monitoring and coordination with financial institutions of account balance amounts and pledged security requirements, coupled with the transfer of substantial account balances to other local depository institutions to multiply the FDIC insurance coverage, will be the most effective method of insuring compliance with LSA-R.S. 39:1225. As of September 1, 2025, the District has secured sufficient collateral, and this matter has been resolved.

FORTIETH JUDICIAL DISTRICT PUBLIC DEFENDER'S OFFICE
Parish of St. John the Baptist

Schedule of Current Year and Prior Year Findings
And Management's Corrective Action Plan
Year Ended June 30, 2025

Part II. Prior Year Findings:

Internal Control Over Financial Reporting

2024-001 Inadequate Segregation of Duties

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

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

CURRENT STATUS: Unresolved. See item 2025-001.

2024-002 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2025-002.

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures
Fiscal Year Ended June 30, 2025**

KEITH M. RIVERE
Certified Public Accountant

**FORTIETH JUDICIAL DISTRICT
PUBLIC DEFENDER FUND
St. John the Baptist Parish, Louisiana**

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

**As of and for the Year Ended
June 30, 2025**

KEITH M. RIVERE, CPA

**75 Dominican Drive
Suite 206
LaPlace, LA 70068
(985) 652-6029**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025**

To the District Public Defender
Fortieth Judicial District Public Defenders Office
La Place, Louisiana 70068

I have performed the procedures enumerated in Schedule 2, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Fortieth Judicial District Public Defender's management is responsible for those C/C areas identified in the SAUPs.

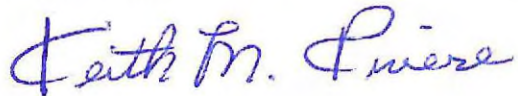
The Fortieth Judicial District Public Defender has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedure performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

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

I am required to be independent of the Fortieth Judicial District Public Defender and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results 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.



Keith M. Rivere
Certified Public Accountant
October 17, 2025

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. **Ethics²**, 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.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

2) Board or Finance Committee³

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds⁴, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund
-

had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁶

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁷ (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:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
- i. Observe that receipts are sequentially pre-numbered.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt¹² 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).

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

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

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

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

Performance: Obtained the listing of location that process payments and received management's representation in a separate letter. The district only has one location that processes payments.

Exception: There were no exceptions noted.

Management's Response: Not applicable

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT)¹³, wire transfer, or some other electronic means.
-

Performance: Obtained a list of those employees involved with non-payroll purchasing and payment functions and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable

Findings: After checks are signed by the authorized signers, the checks are given to Ms. Baker to mail. Therefore, no exceptions are noted.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

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

Performance: Selected a random sample of 25 checks and observed that the checks and the related original invoices/billing statements agreed.

Exception: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under B above.

Exceptions: Due to the small number of employees, the district does not have adequate segregation of functions within the accounting system.

Management's Response: It is not cost effective to have adequate segregation of duties. In addition, the District Public Defender approves all disbursements.

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

account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Performance: Selected a random sample of 25 disbursements and observed authorized check signers approved the electronic disbursement of funds.

Exception: There were no exceptions noted.

Management's response: Not applicable

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹⁴. Obtain management's representation that the listing is complete.
 - B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
 - C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁵. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
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Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

7) Travel and Travel-Related Expense Reimbursements¹⁶ (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁷ (e.g., solicited quotes or bids, advertised), if required by law;
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- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁸ 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.
 - B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁹ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
 - C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the
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pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

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

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

10) Ethics²⁰

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

11) Debt Service²¹

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and
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payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

12) Fraud Notice²²

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

13) Information Technology Disaster Recovery/Business Continuity

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - 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
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operating system and accounting system software in use are currently supported by the vendor.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267²³. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

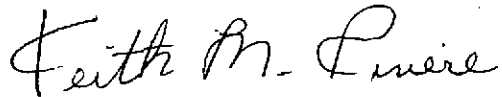
14) Prevention of Sexual Harassment²⁴

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
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- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of applying the above procedures during Year 1 of AUP engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results 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.

A handwritten signature in black ink that reads "Keith M. Rivere". The signature is written in a cursive style with a large initial 'K' and 'R'.

Keith M. Rivere
Certified Public Accountant
October 17, 2025