



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

ORLEANS PUBLIC DEFENDERS

**INDEPENDENT AUDITOR'S REPORT
ON THE BASIC FINANCIAL STATEMENTS
AND ACCOMPANYING SUPPLEMENTARY INFORMATION**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

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Luther Speight & Company, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Chief District Defender
Orleans Public Defenders
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund (general fund) information of the Orleans Public Defenders (OPD), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise OPD's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major fund information of OPD's, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OPD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and page 29, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise OPD's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Justice System Funding Schedule – Receiving Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information named above are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026, on our consideration of OPD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OPD'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 OPD's internal control over financial reporting and compliance.

Luther Speight & Co. CPAs

Luther Speight & Company, LLC
New Orleans, Louisiana
March 30, 2026

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2025**

The Orleans Public Defender's (OPD) Management's Discussion and Analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of OPD's financial activity, and identify changes in OPD's financial position and its ability to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and is intended to provide the financial results for the year ended June 30, 2025.

The following is a summary on how this financial report is presented:

- 1. MD&A**
 - a. Management's Discussion and Analysis (Required Supplementary Information)
- 2. Basic Financial Statements**
 - a. Government-Wide Financial Statements
 - b. Fund Financial Statements
 - c. Notes to the Financial Statements
- 3. Other Required Supplementary Information**
 - a. Required Supplementary Information

As indicated above, GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of OPD's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of OPD's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of OPD is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2025**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. OPD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of OPD are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and net change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

OPD maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and net change in fund balance for the general fund, which is considered to be the major fund. OPD adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 through 12 of this report. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 28 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning OPD's budgetary comparison schedule for its major governmental fund. The required supplementary information can be found on page 29 of this report.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Financial Analysis of OPD

Below is the summarized comparative Statement of Net Position:

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Assets			
Current Assets	\$ 12,516,225	\$ 9,180,384	\$ 3,335,841
Noncurrent Assets	284,823	562,822	(277,999)
Total Assets	<u>12,801,048</u>	<u>9,743,206</u>	<u>3,057,842</u>
Liabilities			
Current Liabilities	35,998	456,178	(420,180)
Noncurrent Liabilities	147,567	136,571	10,996
Total Liabilities	<u>183,565</u>	<u>592,749</u>	<u>(409,184)</u>
Net Position:			
Net Investment in Capital Assets	284,823	134,923	149,900
Net Investment in Right-Of-Use Asset	-	427,899	(427,899)
Restricted	33,079	40,279	(7,200)
Unrestricted	12,299,581	8,547,356	3,752,225
Total Net Position	<u>\$ 12,617,483</u>	<u>\$ 9,150,457</u>	<u>\$ 3,467,026</u>

As indicated by the statement above, total net position at June 30, 2025 is \$12,617,483. Net position is separated into four categories: net investment in capital assets, net investment in right-of-use assets, restricted, and unrestricted.

Net investment in capital assets of \$284,823 is a combination of capital assets at original cost less accumulated depreciation. The original cost of capital assets is \$478,028, which is an accumulation of capital assets year after year less any capital disposals. Accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, and expensed over the estimated useful life of the asset. Total accumulated depreciation is \$185,205. Net assets in right of use asset of \$0 net of accumulated amortization.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Financial Analysis of OPD (continued)

Restricted net position of \$33,079 represents contributions from non-profit organizations whose use has been limited by donor-imposed stipulations that will either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. The remaining \$12,299,581 of net position is unrestricted. Unrestricted net position is an accumulation of prior years' operating results. This balance is directly affected each year by OPD's operating results.

Below is the summarized comparative Statement of Activities:

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Revenues			
District Assistance Funds	\$ 3,028,800	\$ 3,396,052	\$ (367,252)
City Appropriations	13,276,811	8,877,181	4,399,630
Court Costs on Fines and Forfeitures	1,058,067	1,389,777	(331,710)
Other Program Revenues	492,302	394,188	98,114
General Revenues	377,635	17,868	359,767
Total Revenues	<u>18,233,615</u>	<u>14,075,066</u>	<u>4,158,549</u>
Expenses			
Public Defense	14,766,589	13,358,377	1,408,212
Total Expenses	<u>14,766,589</u>	<u>13,358,377</u>	<u>1,408,212</u>
Change in Net Position	<u>\$ 3,467,026</u>	<u>\$ 716,689</u>	<u>\$ 2,750,337</u>

As indicated above, for the year ended June 30, 2025 net position increased by \$3,467,026 due primarily to a significant increase in City Appropriation revenues. Total expenses for the year ended June 30, 2025 increased by \$1,408,212 as compared to the year ended June 30, 2024 due primarily to an increase in Personnel Services and Benefits and Expert Witnesses. Operating revenues for the year ended June 30, 2025 increased by \$4,158,549 when compared to operating revenues for the year ended June 30, 2024 due to an increase in City Appropriation revenues.

Capital Assets

At June 30, 2025, OPD had \$284,823 (net of accumulated depreciation) invested in furniture, fixtures, and equipment. During the year ended June 30, 2025, OPD disposed of furniture, fixtures, and equipment of \$21,053. In addition, the Right-Of-Use Lease Asset amortized to \$0 (net of accumulated amortization) related to the office building.

**ORLEANS PUBLIC DEFENDERS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

Economic Factors and Next Year's Budget

The major factor affecting the budget is the local revenue received from court costs on fines and forfeitures, which includes fees received from traffic, municipal, juvenile, and criminal courts. Additionally, OPD receives grants, bond funds, a city appropriation, and a district allotment from the Louisiana Public Defender Board.

Budgetary Highlights

As required by state law, OPD adopts the original budget prior to the commencement of the fiscal year to which the budget applies. The Budget to Actual statement can be found on pg. 29. Total budgeted revenues the General Fund for the year ended June 30, 2025 was \$16,786,165 and total budgeted expenses were \$14,929,900.

OPD amended its original budgeted revenues for the year ended June 30, 2025 to reflect increases in City Appropriation, Traffic court costs and grants; and to reflect a decrease in traffic camera revenue. Also, OPD amended its original budgeted expenditures, specifically to increase personnel and related benefits, professional service contracts, experts, and equipment costs. These expenditures were increased as a result of increased revenues and grants for the purposes of increasing and retaining staff and contractors, hiring experts for trials, and upgrading OPD tech infrastructure.

Contacting OPD Financial Management

This financial report is designed to provide citizens, taxpayers, funding sources, and creditors with a general overview of OPD's finances and demonstrate OPD's accountability for money it receives. If you have questions about this report or need additional information, contact Mr. Daniel Engelberg, Chief District Defender, at 2601 Tulane Avenue, Suite 700, New Orleans, Louisiana 70119.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**ORLEANS PUBLIC DEFENDERS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 6,476,606
City Appropriations Receivable	5,501,090
Court Costs on Fines and Forfeitures Receivable	509,665
State and Other Receivables	28,864
Total Current Assets	12,516,225
 Non-Current Assets:	
Capital Assets, Net	284,823
Total Non-Current Assets	284,823
 Total Assets	 \$ 12,801,048
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accounts Payable	\$ 35,998
Total Current Liabilities	35,998
 Non-Current Liabilities:	
Compensated Absences	147,567
Total Non-Current Liabilities	147,567
 Total Liabilities	 183,565
 Net Position:	
Net Investment in Capital Assets	284,823
Net Investment in Right-Of-Use Asset	-
Restricted	33,079
Unrestricted	12,299,581
Total Net Position	\$ 12,617,483

The accompanying notes are an integral part of these financial statements

**ORLEANS PARISH PUBLIC DEFENDERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Functions</u>	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITON</u>	
		<u>Charges For Services</u>	<u>Grants/ Contributions</u>	<u>Governmental Activities</u>	<u>Total Primary Government</u>
Governmental Activities					
Public Defense	\$ 14,766,589	\$ 1,065	\$ 16,797,912	\$ 2,032,388	2,032,388
Total Government Activities	<u>14,766,589</u>	<u>1,065</u>	<u>16,797,912</u>	<u>2,032,388</u>	<u>2,032,388</u>
General Revenues					
Court Revenues and Bond Fees				1,376,432	1,376,432
Other Revenues				58,206	58,206
Total General Revenues				<u>1,434,638</u>	<u>1,434,638</u>
Change in Net Position				3,467,026	3,467,026
Net Position at the Beginning of Year				<u>9,150,457</u>	<u>9,150,457</u>
Net Position at the End of Year				<u>\$ 12,617,483</u>	<u>\$ 12,617,483</u>

The accompanying notes are an integral part of these financial statements

FUND FINANCIAL STATEMENTS

**ORLEANS PUBLIC DEFENDERS
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025**

	General Fund
Assets:	
Cash	\$ 6,476,606
Court Costs on Fines and Forfeitures Receivable	136,755
State and Other Receivables	28,864
Total Assets	6,642,225
 Liabilities and Fund Balance:	
Liabilities	
Accounts Payable	35,998
Total Liabilities	35,998
 Fund Balance	
Restricted	33,079
Unrestricted	6,573,148
Total Fund Balance	6,606,227
 Total Liabilities and Fund Balance	 \$ 6,642,225

The accompanying notes are an integral part of these financial statements

**ORLEANS PUBLIC DEFENDERS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund
Revenues:	
Local Appropriations	\$ 12,214,312
District Assistance Funds	3,028,800
Court Costs on Fines and Forfeitures	685,157
Grants	492,302
Bond Funds	318,365
Reimbursements and Application Fees	1,065
Other Revenue	58,206
Total Revenues	\$ 16,798,207
Expenditures	
Current:	
General Government:	
Personnel Salaries and Related Benefits	\$ 11,071,617
Operating Services	3,216,819
Capital Outlay	189,159
Leases:	
Redemption of Principal	409,368
Interest	18,531
Total Expenditures	14,905,494
Net Change in Fund Balance	1,892,713
Fund Balance, Beginning of Year	4,713,514
Fund Balance, End of Year	\$ 6,606,227

The accompanying notes are an integral part of these financial statements

**ORLEANS PARISH PUBLIC DEFENDER
RECONCILIATION OF THE BALANCE SHEET
OF THE GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION OF GOVERNMENTAL ACTIVITIES
AS OF JUNE 30, 2025**

Total Governmental Fund Balance		\$ 6,606,227
Amount reported on the governmental activities in the Statement of Net Position are different because:		
Capital Assets Used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Fund:		
Cost of Capital Assets	470,028	
Accumulated Depreciation	(185,205)	284,823
Receivables not available to meet the liabilities of the current period may not be included as Governmental Fund revenue or receivables:		
City of New Orleans Appropriation Receivable		5,501,090
City of New Orleans Traffic Camera Receivable		372,910
Long-Term Liabilities are not due and payable in the current period and therefore are not reported in the Governmental Fund:		
Compensated Absences		(147,567)
Net Position of Governmental Activities		\$ 12,617,483

The accompanying notes are an integral part of these financial statements

**ORLEANS PARISH PUBLIC DEFENDER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Change in Fund Balance	\$	1,892,713
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p> <p>The Governmental Fund reported capital outlays as expenditures whereas in the Statement of Activities these costs are depreciated over their estimated lives:</p>		
Depreciation Expense		(60,311)
Capital Outlays		189,159
<p>Receivables not available to meet the liabilities of the fiscal year may not be included as Governmental Fund revenue or receivables:</p>		
City of New Orleans Appropriation Revenue		5,501,090
City of New Orleans Traffic Camera Receivable		372,910
<p>Receivables of the previous fiscal year that were not available to meet the liabilities of that year, but which were collected during the current fiscal year, are included as Governmental Fund revenue of the current fiscal year:</p>		
City of New Orleans Appropriation Revenue		(4,438,592)
Other Adjustments		10,057
Change in Net Position for the Governmental Activities	\$	3,467,026

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – BACKGROUND INFORMATION

Orleans Public Defenders (OPD), established in compliance with Louisiana Revised Statutes 15.146 et seq., provides counsel to represent indigents (needy individuals) in criminal, quasi-criminal, juvenile, municipal and traffic cases at the District Court level. The 41st judicial district encompasses the Parish of Orleans, Louisiana. All duties and responsibilities for the management of personnel, property and funds are by virtue of Act 307 those of the District Defender. Revenues to finance OPD's operations are provided primarily by District Assistance Funds from the Louisiana Public Defender Board (LPDB), City of New Orleans budget appropriations, and court costs on fines imposed by the various courts within the district

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GASB Statements

OPD has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governmental fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable Fund Balance – Amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted Fund Balance – Amounts constrained to specific purposes by their provider (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – Amounts constrained to specific purposes by OPD itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless OPD takes the same highest level action to remove or change the constraint.
- Assigned Fund Balance – Amounts OPD intends to use for a specific purpose. Intent can be expressed by the District Defender or by an official to which the District Defender delegates the authority.
- Unassigned Fund Balance – Amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, OPD considers restricted funds to have been spent first. At June 30, 2025, OPD had no nonspendable, committed, or assigned fund balances.

OPD has also implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, effective for fiscal year 2013. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period. Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets, title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position:

- Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the position of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion is included in the same component of net position as the unspent proceeds.
- Restricted – This component of net position reports externally imposed constraints placed on their use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

Basis of Presentation

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

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 2100, *Defining the Financial Reporting Entity*, OPD is a part of the District Court System of the State of Louisiana. However, OPD operates autonomously from the State of Louisiana and independently from the District Court System. Therefore, OPD reports as an independent reporting entity and the financial statements include only the transactions of OPD.

Fund Accounting

OPD 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 OPD functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of OPD are classified as governmental.

The governmental funds account for all of OPD'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 funds 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 OPD. The following is a description of OPD's governmental fund:

- General Fund – The operating fund of the OPD which accounts for all financial resources. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to OPD.

Basis of Accounting/Measurement Focus

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of OPD. The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). 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*.

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) (“GWFS”) report information on all of the activities of OPD. The effect of interfund activity has been removed from these statements.

OPD's statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who use or directly benefit from services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items are properly included among program revenues or reported instead as general revenues.

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements (FFS)

Governmental funds 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 net change in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the GWFS and the statements for governmental funds are prepared. Governmental fund financial statements (“FFS”) therefore include a reconciliation with brief explanations to better identify the relationship between the GWFS and the statements for governmental funds.

FFS report detailed information about OPD. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, OPD considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. OPD uses the following practices in recording revenues and expenditures:

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Revenues – Court costs on fines and forfeitures are recorded in the month the amounts are collected by the appropriate courts. Interest income on time deposits is recorded when the time deposits have matured.
- Expenditures – Expenditures are recognized in the accounting period in which the liability is incurred.

Budgetary Data

OPD's Governing Authority as of July, 2008, is the District Defender by virtue of Act 307. OPD utilizes the following budget practices

- In the last quarter of the year, a budget for the following year is prepared and submitted to the Governing Authority for approval. The budget may be amended during the year, if requested, with the approval of the Governing Authority.
- The budget records are maintained in the accounting department with all other public records of this program and can be reviewed by making arrangements with the Governing Authority.
- The budget is based on prior year experience as to receipts and disbursements and takes into consideration increases in costs of services and supplies, taxes, insurance, and equipment, as well as the increased costs of salaries and fringe benefits when raises and/or new positions are authorized. The budget as a whole is based on the amount of money that is available and the disbursements that are necessary to maintain the efficient operation of this program.
- Monthly financial reports are submitted to the Governing Authority, which in part list the amount of the budget that has been used for that period and indicates a favorable or unfavorable difference as to the budget amount attributed to the period of time being reported.
- All budgetary appropriations lapse at the end of the fiscal year and OPD does not use a system of encumbrance accounting.
- The budget for the general fund expenditures is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less. Under state law, OPD may deposit funds in demand deposits, interest-bearing demand deposits, 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.

Capital Assets

Capital assets are stated at historical cost at the date of purchased or at fair market value at the date of donation, if donated. Additions, improvements, and expenditures greater than \$1,000 that significantly extend the useful life of an asset are capitalized. Depreciation is provided over the estimated useful lives of assets using the straight-line method. The estimated useful lives of furniture, fixtures and equipment range from three (3) to seven (7) years (see NOTE 6).

Compensated Absences

Employees earn one and one-half (1½) days of annual leave each month. Sick leave is earned at the rate of one (1) day each month. A maximum of 40 hours of annual leave and 120 hours of sick leave may be carried over to the subsequent year. Upon termination of employment, any unused accrued annual leave is payable to the employee while any unused sick leave is forfeited.

Use of Estimates

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

Recent Accounting Pronouncements

OPD adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. Under this Statement, SBITA, as defined, are financings of the right to use an underlying asset. SBITA liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised. The right to use asset may also include certain implementation phase costs. The adoption of this standard did not have a material effect on the financial statements for the year ended June 30, 2025.

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. See OPD's disclosures of Compensated Absences at Note 7.

Leases

With the adoption of GASB 87, OPD established a materiality policy for its leases and other long-term contracts. Individual leases or contracts with total lease payments or contract value under \$100,000 will require no evaluation for lease reporting under GASB 87. Any contract identified as a lease or as having a lease component that is below the \$100,000 threshold may be recorded in the same manner as a short-term lease with rent payments reported as expense (lessee) or revenue (lessor) on the income statement as those payments become due based on the terms of lease. Leases below the \$100,000 threshold will not be reported on the balance sheet or subject to GASB 87 disclosure requirements.

NOTE 3 – CASH AND CASH EQUIVALENTS

At June 30, 2025, OPD has cash in demand deposit accounts (book balances) totaling \$6,476,606. 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 at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of OPD in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of failure of a financial institution or counterparty, OPD would not be able to recover its deposits, investments or collateral securities that are in the possession of an outside party. At June 30, 2024, OPD has \$6,724,975 in deposits (collected bank balances) at two financial institutions. These deposits are secured from risk by \$250,000 of federal deposit insurance per bank, with the remaining balance collateralized by pledged securities held by the custodial bank in the name of OPD.

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Organization periodically maintains cash in bank accounts in excess of insured limits. As mentioned in Note 3, at June 30, 2025, the Organization’s cash included bank deposit accounts aggregating approximately \$6,724,975. The Organization made an arrangement with a certain financial institution, who holds most of their bank deposits, that stated the financial institution will purchase pledged securities to be used as collateral against the excess of deposits over FDIC insurance coverage limit.

NOTE 5 – GRANTS RECEIVABLE

At June 30, 2025, OPD has no grants receivable outstanding.

NOTE 6 – CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2025</u>
Furniture, Fixtures, and Equipment	\$ 280,870	210,211	(21,053)	\$ 470,028
Less: Accumulated Depreciation	(145,947)	(60,311)	21,053	(185,205)
Total	<u>\$ 134,923</u>	<u>\$ 149,900</u>	<u>\$ -</u>	<u>\$ 284,823</u>

NOTE 7 – COMPENSATED ABSENCES

The following schedule summarizes the change in long-term compensated absences for the year ended June 30, 2025:

	<u>Amount</u>
Compensated Absences at July 1, 2024	\$ 136,571
Additions	794,749
Deductions	(783,753)
Compensated Absences at June 30, 2025	<u>\$ 147,567</u>

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 8 – DISTRICT ASSISTANCE FUND

During the year ended June 30, 2025, OPD was awarded and received grant funds from the Louisiana Public Defender Board's (LPDB) District Assistance Fund in the amount of \$3,028,800. The District Assistance Fund is a grant-in-aid program intended to provide supplemental financial assistance in felony cases to district public defender boards that have a need for such supplemental funding and that are willing to comply with the standards, guidelines, and policies of the LPDB. Funding under the program is being provided to assist qualified districts in improving the quality of indigent defense on a continuous basis especially with respect to the following major goals:

1. To lower attorney caseloads to levels consistent with LPDB and national caseload standards.
2. To increase the pool of qualified attorneys certified under the LPDB's capital and appellate programs.
3. To provide more effective attorney unit support in the form of investigators, secretaries, and other forms of office support.
4. To improve criminal defense knowledge and skill through training, specialized continuing legal education, and better supervision; and
5. To defray expert witness/testing costs.

NOTE 9 – GRANT REVENUE

OPD received grant funding from the following sources during the year ended June 30, 2025:

Grant Program	Amount
Child in Need of Care	\$ 138,691
Title IV-E	50,000
LCLE Peer Mentorship	55,175
City of New Orleans Grants	248,436
	\$ 492,302

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 10 – OPERATING LEASE

OPD adopted GASB 87, Leases, which improves the accounting and financial reporting for leases by governments. OPD leases office space at 2601 Tulane Avenue, New Orleans, LA 70119, under a non-cancellable operating lease. The initial term of the lease was for a four (4) year period ended January 31, 2018. OPD exercised two (2) additional (4) year lease renewal options to extend the lease term to June 30, 2025. The lease calls for monthly payments of \$36,150.

The Organization has recorded Right-Of-Use Lease Asset and Lease Liability using a discount rate of 3.0%, which is OPD's incremental borrowing rate, and calculated the present value of future lease payments. Each year, the asset value is amortized over the life of the lease. At June 30, 2025, the asset and liability balance was \$0.

At year-end, OPD entered into an additional agreement to renew the lease for an additional 12 months with the same payment terms. Due to the fact that the lease was extended for only 12 months, the effective date starts subsequent to year-end, and there is no extension clause, the lease is considered short-term and a new Right-Of-Use Lease Asset and Lease Liability is not considered necessary.

Total lease expense related to this lease for the year ended June 30, 2025 was \$409,368, while interest expense totaled \$18,531.

Below is a summary of lease activity for the year ended June 30, 2025:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Right-Of-Use Asset:						
Office Space	\$ 1,410,998	\$ -	\$ -	\$ -	\$ 1,410,998	
	1,410,998	-	-	-	1,410,998	
Less: Accumulated Amortization						
Office Space	(983,099)	(427,899)	-	-	(1,410,998)	
	(983,099)	(427,899)	-	-	(1,410,998)	
Total Right-Of-Use Asset, Net:	\$ 427,899	\$ (427,899)	\$ -	\$ -	\$ -	
Lease Liabilities	\$ 427,899	\$ -	\$ -	\$ (427,899)	\$ -	\$ -

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 11 – CLASSIFICATION OF NET POSITION

On the GWFS, net position is separated into three categories: net investment in capital assets, restricted, and unrestricted. The restricted balance on the GWFS represents the portion of previously recognized grant revenues for which donor-imposed restrictions have not yet been met. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the government considers restricted funds to have been spent.

On the GWFS, restricted net position as of June 30, 2025, consists of the following:

Loyola University - Law Clerks	\$ 25,200
Expert Fees	<u>7,879</u>
Total Restricted Net Position	<u>\$ 33,079</u>

NOTE 12 – PENSION PLAN

OPD's employees participate in the federal social security program. OPD is required to remit an amount to the Social Security Administration equal to the employee's contribution up to an established limit. OPD does not guarantee any of the benefits granted by the Social Security Administration.

NOTE 13 – RISK MANAGEMENT

OPD is exposed to various risks of loss related to torts, theft of, and damage to and destruction of assets for which OPD carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

NOTE 14 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES

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

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 14 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES
(CONTINUED)**

Revenues		
State Government		
Appropriations - General	\$ 3,028,800	
Grants	<u>492,302</u>	
Total State Government		3,521,102
Local Government		
Appropriations - General	12,214,312	
Statutory Fines, Forfeitures, Fees Court Costs, and Other	<u>1,003,522</u>	
Total Local Government		13,217,834
Other Grants and Contributions		
Non-Profit Organizations	-	
Other	<u>58,206</u>	
Total Other Grants and Contributions		58,206
Charges for Services		<u>1,065</u>
Total Revenues		<u><u>\$ 16,798,207</u></u>

**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 14 – GOVERNMENTAL FUND REVENUES AND EXPENDITURES
(CONTINUED)**

Expenditures

Personnel Services and Benefits

Salaries	\$ 7,896,193
Insurance	1,230,947
Paryoll Taxes	661,681
Other	1,282,796

Total Personnel Services and Benefits	11,071,617
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Operating Costs

Library and Research	76,235
Contract Services - Attorney/Legal	1,905,107
Expert Witness and Investigators	408,530
Contract Services - Other	46,602
Professional Services	25,830
Leases - Office	427,899
Leases - Autos and Other	30,949
Travel - Transportation	24,620
Dues, Licenses, and Registrations	71,751
Insurance	67,556
Supplies	79,429
Repairs and Maintenance	12,773
Utilities and Telephone	98,376
Bad Debt Expense	-
Information Technology	152,200
Other	216,861

Total Operating Costs	3,644,718
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Capital Outlay	189,159
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Total Expenditures	\$ 14,905,494
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**ORLEANS PUBLIC DEFENDERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 15 – SUBSEQUENT EVENTS

Due to a local budget crisis, OPD's annual appropriation from the City of New Orleans was cut 31% for 2026. While cuts were made to the majority of city agencies, equal cuts were made to both public defender and district attorney's offices. As OPD stated in the budget presentation to the New Orleans City Council, OPD is not able to absorb the \$3 million cut and it will lead to a significant reduction in OPD's fund balance, potential hiring freeze with vital positions being unfilled, and a significant reduction in services.

Management has evaluated subsequent events as of March 30, 2026, which is the date these financial statements were available to be issued, and noted no additional items to report. Management did not evaluate any events after that date for inclusion in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**ORLEANS PUBLIC DEFENDERS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>			Variance With Final Budget Favorable/(Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Grants - Indirect (pass thru State)	\$ 50,000	\$ 105,000	\$ 105,175	\$ 175
Child in Need of Care (CINC)	131,239	131,239	138,691	7,452
District Assistance Funds	3,110,749	3,028,800	3,028,800	-
Appropriations - General	8,127,181	11,464,311	11,464,312	1
Appropriations - Special	750,000	750,000	750,000	-
Court Revenue	1,695,100	957,415	1,003,922	46,507
Application Fees	2,000	2,000	1,065	(935)
Other Grants	100,271	327,400	290,436	(36,964)
Donations	20,000	20,000	15,806	(4,194)
Total Revenues:	<u>13,986,540</u>	<u>16,786,165</u>	<u>16,798,207</u>	<u>12,042</u>
Expenditures				
Personnel Services and Benefits				
Salaries	7,750,000	7,925,000	7,896,193	28,807
Accrued Leave	530,000	775,000	794,749	(19,749)
Hospitalization Insurance	1,170,000	1,230,000	1,230,947	(947)
Payroll Taxes	612,000	665,000	661,681	3,319
Retirement	470,000	485,000	482,983	2,017
Workers' Compensation	10,000	10,000	5,064	4,936
Total Personnel and Benefits	<u>10,542,000</u>	<u>11,090,000</u>	<u>11,071,617</u>	<u>18,383</u>
Professional Development	50,000	60,000	71,751	(11,751)
Operating Services				
Insurance - Malpractice	60,000	60,000	61,109	(1,109)
Insurance - Auto/Physical Liability	12,000	12,000	6,447	5,553
Lease - Office	433,800	433,800	433,800	-
Lease - Equipment	30,000	30,000	30,949	(949)
Repair and Maintenance	20,000	20,000	12,773	7,227
Telephone/Comms/Internet	100,000	100,000	98,376	1,624
Office Supplies	75,000	75,000	79,429	(4,429)
Travel/Lodging/Mileage	30,000	30,000	24,620	5,380
Law Library/Journals/Subscriptions	80,000	80,000	76,235	3,765
Other Operating Expenses	150,000	200,000	210,960	(10,960)
Total Operating Services	<u>990,800</u>	<u>1,040,800</u>	<u>1,034,698</u>	<u>6,102</u>
Professional Services				
Audit/Accounting Expense	50,000	50,000	46,602	3,398
Expert Witness	200,000	300,000	351,655	(51,655)
Contract - Investigators	50,000	50,000	56,875	(6,875)
Contract - Interpreters	10,000	10,000	6,413	3,587
Contract - Social Workers	50,000	20,000	19,417	583
Contract - Conflict Representation	800,000	1,000,000	977,434	22,566
Contract - Juvenile Attorneys or CINC	300,000	130,000	129,423	577
Contract - Misd. Attorneys	50,000	50,000	48,250	1,750
Contract - City	750,000	750,000	750,000	-
IT/Technical Support	83,100	159,100	152,200	6,900
Total Professional Services	<u>2,343,100</u>	<u>2,519,100</u>	<u>2,538,269</u>	<u>(19,169)</u>
Capital Outlays	60,000	220,000	189,159	30,841
Total Expenditures	<u>13,985,900</u>	<u>14,929,900</u>	<u>14,905,494</u>	<u>24,406</u>
Net Change in Fund Balance	640	1,856,265	1,892,713	36,448
Fund Balance - Beginning of Year	4,713,514	4,713,514	4,713,514	-
Fund Balance - End of Year	<u>\$ 4,714,154</u>	<u>\$ 6,569,779</u>	<u>\$ 6,606,227</u>	<u>\$ 36,448</u>

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

SUPPLEMENTARY INFORMATION

**ORLEANS PUBLIC DEFENDERS
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 TO AGENCY HEAD
 FOR THE YEAR ENDED JUNE 30, 2025**

Agency Head: Danny Engelberg, Chief District Defender

<u>Type</u>	<u>Amount</u>
Salary	\$ 140,000
Benefits - Insurance	11,057
Benefits - Retirement	8,400
Benefits - Payroll Taxes	10,710
Mobile Phone	760
Conference/Training (Registration, Travel)	8,032
	<u>\$ 178,959</u>

See Independent Auditor's Report on Supplementary Information

**ORLEANS PUBLIC DEFENDERS
 JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
 AS REQUIRED BY ACT 87 OF THE REGULAR LEGISLATIVE SEASON
 FOR THE YEAR ENDED JUNE 30, 2025**

	Amount For 07/01/2024 - 12/31/2024	Amount For 01/01/2025 - 06/30/2025
1. Ending Balance of Amounts Assessed but Not Received:	\$ -	\$ -
2. Details of Receipts from Collecting/Disbursing Agency		
<u>Agency Remitting Money</u>		
Orleans Parish Criminal District Court Fund	\$ 745	\$ 400
Orleans Parish Sheriff	162,494	161,518
New Orleans Municipal and Traffic Court	246,161	234,887
New Orleans Municipal and Traffic Court	4,462	6,876
<u>Remittance Type</u>		
Other		
Bond Fees		
Criminal Fines - Other/Non-Contempt		
Other		



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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 Chief District Defender
Orleans Public Defenders
New Orleans, Louisiana

We have audited 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 of America, the financial statements of the governmental activities and the major fund information of Orleans Public Defenders (OPD) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise OPD's basic financial statements, and have issued our report thereon dated March 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered OPD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OPD's internal control. Accordingly, we do not express an opinion on the effectiveness of OPD's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether OPD’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and questioned costs as Finding #2025-001.

Orleans Public Defenders’ Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on OPD’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. OPD’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
March 30, 2026

**ORLEANS PUBLIC DEFENDERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I – Summary Of Auditor’s Results

Financial Statements

An unmodified opinion was issued on the financial statements of the auditee.

Internal Control Over Financial Reporting:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified
not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? X yes _____ no

Federal Awards

OPD did not expend more than \$750,000 in federal awards during the year ended June 30, 2025, so this section is not applicable.

**ORLEANS PUBLIC DEFENDERS
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section II – Financial Statement Findings and Questioned Costs

FINDING #2025-001 – TIMELY SUBMISSION OF ANNUAL AUDIT REPORT TO THE LOUISIANA LEGISLATIVE AUDITOR (NON-COMPLIANCE)

CRITERIA: Louisiana Revised Statute 24:513 requires that Agencies receiving federal, state, or local government funding from the State of Louisiana submit an independent financial statement engagement to the Louisiana Legislative Auditor’s (LLA) office within six months from their fiscal year end.

CONDITION: OPD did not complete and submit its independent audit report within the required deadline. The LLA granted OPD a non-emergency extension; however, this finding is still a requirement for the audit report.

CAUSE: Audit-Ready financial statements were not provided to the auditors until the 2nd week of December 2025, so there were delays in getting the audit started.

EFFECT: Late submission causes the auditee to be put on the non-compliance list (if they are not granted a non-emergency extension) and can result in withholding of state and/or federal pass-through funding to the auditee.

RECOMMENDATION: OPD should implement policies and procedures to ensure timely filing of any and all required reports.

MANAGEMENT’S RESPONSE: Before the end of FY 2026, we will work to have an auditor in place for the June 30, 2026 audit engagement. Additionally, we will prioritize effective communication and follow-through with our auditor to ensure delivery of requested documentation in order that the audit report will be submitted in a timely manner.

**ORLEANS PUBLIC DEFENDERS
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section III- Federal Award Findings and Questioned Costs

Not applicable for the year ended June 30, 2025.

Section IV - Status of Prior Year's Findings and Questioned Costs

No findings or questioned costs were reported for the year ended June 30, 2024.



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

ORLEANS PUBLIC DEFENDERS

STATEWIDE AGREED UPON PROCEDURES REPORT

FOR THE YEAR ENDED JUNE 30, 2025



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

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

To the Chief District Defender of
Orleans Parish Public Defender
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024, through June 30, 2025. Orleans Public Defender's ("OPD") management is responsible for those C/C areas identified in the SAUPs.

OPD 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 procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: *The written policies and procedures appropriately address the required elements above.*

- b) **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Results: The written policies and procedures appropriately address the required elements above.

- c) **Disbursements**, including processing, reviewing, and approving.

Results: The written policies and procedures appropriately address the required elements above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The written policies and procedures appropriately address the required elements above.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Results: The written policies and procedures appropriately address the required elements above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: The written policies and procedures appropriately address the required elements above.

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

Results: The written policies and procedures appropriately address the required elements above.

- h) **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).

Results: The written policies and procedures appropriately address the required elements above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Results: The written policies and procedures appropriately address the required elements above.

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

Results: Not applicable to the Entity

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The written policies and procedures appropriately address the required elements above.

- l) **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: The written policies and procedures appropriately address the required elements above.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *We performed the step and noted no exceptions.*

- b) 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 funds, 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 funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: *We performed the step and noted no exceptions.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *We performed the step and noted no exceptions.*

- d) 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.

Results: *Not applicable, as there was no finding in prior year.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Results: *We obtained a listing of the Entity's bank accounts for the fiscal period, as well as management's representation that the listing is complete.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: *We performed the step and noted no exceptions.*

- b) Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Results: *We performed the step and noted no exceptions.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: *We noted that one of the bank reconciliations had three outstanding items beyond 12 months.*

Management Response: *We acknowledge three checks ranging from \$10 to \$219 were uncleared; all three were for records from government and academic agencies that frequently take an extended period of time to process. We have standard procedures in place for monthly review and follow up on outstanding checks, including these. We will continue to keep a watchful eye in order to prevent stale records payments*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: *We performed the step and noted no exceptions.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: *We performed the steps and noted no exceptions.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: *We performed the step and noted no exceptions.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *We performed the steps and noted no exceptions.*

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

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

Results: *We performed the step and noted no exceptions.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: *We performed the steps and noted no exceptions.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *We performed the steps and noted no exceptions.*

11. 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.

Results: We performed the step and noted no exceptions..

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

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

Results: We performed the step and noted no exceptions.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., 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
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: We performed the steps and noted no exceptions.

14. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe 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.

Results: We performed the steps and noted no exceptions.

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

15. 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

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

Results: We performed the step and noted no exceptions.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Results: We performed the step and noted no exceptions.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Results: We performed the step and noted no exceptions.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement

Results: We performed the step and noted no exceptions.

Contracts

16. 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

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Results: Not applicable. We noted that none of the vendors selected were subject to the Louisiana Public Bid Law.

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

Results: Not applicable. We noted the Agency was not required to obtain board approval for the selected contracts.

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

Results: We performed the step and noted no exceptions.

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

Results: We performed the step and noted no exceptions

Payroll and Personnel

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

Results: We performed the step and noted no exceptions.

18. 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
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: *We performed the steps and noted no exceptions.*

19. 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 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.

Results: *We performed the steps and noted no exceptions.*

20. 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: *We performed the step and noted no exceptions.*

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - a) 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

- b) 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.

Results: *We performed the steps and noted no exceptions.*

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

Results: *We performed the step and noted no exceptions.*

Debt Service

22. 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.

Results: *N/A due to entity not having any debt service.*

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

Results: *N/A due to entity not having any debt service.*

Fraud Notice

24. 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.

Results: *The entity did not have any misappropriation of funds and assets during the fiscal period.*

25. 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: We performed the step and noted no exceptions

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”**:

26. 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.

Results: We performed the procedure and discussed the results with management.

27. 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.

Results: We performed the procedure and discussed the results with management.

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

Results: We performed the procedure and discussed the results with management.

29. 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.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

30. 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.

Results: *We performed the step and noted no exceptions.*

31. 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).

Results: *We performed the step and noted no exceptions.*

32. 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:

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

Results: *We performed the steps and noted no exceptions.*

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

We are required to be independent of OPD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Luther Speight & Co. CPAs

Luther Speight & Company CPAs
New Orleans, Louisiana
March 30, 2026