

Second Judicial District
Public Defender
Jonesboro, Louisiana

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
June 30, 2023
with Supplemental Information Schedules

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Contents

	Statement	Page
Independent Auditor's Report		4 - 6
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position	A	9
Statement of Activities	B	10
Fund Financial Statements		
Governmental Funds		
Balance Sheet	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	15
Notes to the Financial Statements		17 - 26

Second Judicial District Public Defender
Annual Financial Statements
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As of and For the Year Ended June 30, 2023
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	Schedule	Page
Required Supplementary Information		
Budgetary Comparison Schedule		
General Fund	1	28
Independent Auditor's Report on Internal Control and on Compliance and Other Matters		
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		29 - 30
Supplemental Information Schedules		
Schedule of Findings and Questioned Costs	2	32
Schedule of Compensation, Benefits, and Other Payments to Agency Head	3	33
Schedule of Justice System Funding Collecting/Disbursing Entity	4	34 - 35
Schedule of Justice System Funding Receiving Entity	5	36
Statewide Agreed-Upon Procedures		
Independent Accountant's Report on Applying Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures		37 - 46
Louisiana Agreed-Upon Procedures Representation Form		47 - 49



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Independent Auditor's Report

Second Judicial District Public Defender
Jonesboro, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Second Judicial District Public Defender, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Second Judicial District Public Defender'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 financial position of the governmental activities and each major fund of the Second Judicial District Public Defender, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows 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 the financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Second Judicial District Public Defender, 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.

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Second Judicial District Public Defender's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Second Judicial District Public Defender'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 budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Second Judicial District Public Defender's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedules of Justice System Funding are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedules of Justice System Funding are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedules of Justice System Funding are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2023 on our consideration of the Second Judicial District Public Defender's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Second Judicial District Public Defender's internal control over financial reporting and compliance.

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
December 29, 2023

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Statement of Net Position
As of June 30, 2023

		Governmental Activities
Assets		
Cash and equivalents	\$	345,507
Accounts receivable		7,761
Capital assets (net of accumulated depreciation)		<u>4,892</u>
Total Assets		<u>358,160</u>
Liabilities		
Accounts payable		786
Payroll liabilities		<u>3,476</u>
Total Liabilities		<u>4,262</u>
Net Position		
Net investment in capital assets		4,892
Unrestricted		<u>349,005</u>
Total Net Position	\$	<u><u>353,897</u></u>

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

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Statement of Activities
For the Year Ended June 30, 2023

	Major Funds			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>					
Primary government					
Governmental activities					
General government	\$ 568,242	\$ -	\$ 293,444	\$ -	\$ (274,798)
Total governmental activities	<u>568,242</u>	<u>-</u>	<u>293,444</u>	<u>-</u>	<u>(274,798)</u>
<u>General Revenues</u>					
Court costs, fines, and forfeitures					228,772
Appearance bond rebates and bond premium fees					1,300
Investment earnings					1,375
Other revenue					922
Total general revenues and transfers					<u>232,369</u>
Change in net position					(42,429)
Net position - June 30, 2022					<u>396,326</u>
Net position - June 30, 2023					<u>\$ 353,897</u>

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

FUND FINANCIAL STATEMENTS

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Balance Sheet - Governmental Funds
As of June 30, 2023

	Governmental Funds
Assets	
Cash and equivalents	\$ 345,507
Accounts receivable	7,761
Total Assets	<u>\$ 353,268</u>
Liabilities & Fund Balances	
Liabilities:	
Accounts payable	\$ 786
Payroll liabilities	3,476
Total Liabilities	<u>4,262</u>
Fund balances:	
Unassigned	<u>349,005</u>
Total Fund Balances	<u>349,005</u>
Total Liabilities and Fund Balances	<u>\$ 353,267</u>

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

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2023

		Governmental Funds
Revenues		
Operating grant	\$	293,444
Court costs, fines, and forfeitures		228,772
Appearance bond rebates and bond premium fees		1,300
Miscellaneous		922
Total revenues		524,438
Expenditures		
Current:		
Contracted legal services		534,292
Office and research		10,001
Professional services		12,892
Travel and seminars		5,925
Insurance		4,099
Miscellaneous		948
Capital outlay		4,975
Total expenditures		573,132
Excess (deficiency) of revenues over (under) expenditures		(48,694)
Other financing sources (uses)		
Interest earnings		1,375
Total other financing sources (uses)		1,375
Net changes in fund balances		(47,319)
Fund balances - June 30, 2022		396,326
Fund balances - June 30, 2023	\$	349,007

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

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	(47,321)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(83)
Capital outlay		<u>4,975</u>
Change in net position of governmental activities (Statement B)	\$	<u><u>(42,429)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

INTRODUCTION

The Second Judicial District Public Defender was established in compliance with Louisiana Revised Statutes 15:141-184, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parishes of Bienville, Claiborne and Jackson, Louisiana. The District Defender manages and supervises the public defender services provided within the Second Judicial District of Louisiana. The District Defender is responsible for complying with the statutory requirements of Louisiana Revised Statute 15:161 in the performance of the duties of the District Defender, and in the operations of the Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Defender have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. The Defender applies all relevant GASB pronouncements, and GAAP, as applicable to governmental entities. Also, the Defender's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Fund is considered a primary government, since it is a special purpose government that is legally separate and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Defender may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Fund for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, the Second Judicial District Public Defender is not a component unit of any other reporting entity, nor does the Defender have any component units that are to be reported in the Defender's financial statements.

C. Government-Wide Financial Statements

The Defender's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities of the Defender. Fiduciary activities of the Defender are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Defender's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. 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.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Second Judicial District Public Defender's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are fees and charges paid by the recipient for goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Direct Expenses - The Defender reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Defender reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

Revenues that are not classified as program revenues are presented as general revenues.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

D. Fund Financial Statements

The accounts of the Second Judicial District Public Defender are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Second Judicial District Public Defender are classified as governmental.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Defender has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an other financing use. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Second Judicial District Public Defender reports the following major governmental funds:

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

Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are court costs, fines, and forfeitures, fees from indigents, appearance bond rebates and bond premium fees, and charges for services.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Sales of fixed assets and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

E. Equity Classifications

The Second Judicial District Public Defender has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Fund is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Defender did not have any nonspendable funds for the year ended June 30, 2023.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Defender did not have any restricted funds for the year ended June 30, 2023.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Defender. These amounts cannot be used for any other purpose unless the District Defender removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Defender typically establishes commitments through the adoption and amendment of the budget. The Defender did not have any committed funds for the year ended June 30, 2023.

Assigned: This classification includes amounts that are constrained by the Fund's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the District Defender for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Defender has no assigned funds for year ended June 30, 2023.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. All funds of the Defender are designated as unassigned.

The Defender would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. Budgetary Practices

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The Defender adopts an annual operating budget for the general fund. Budgetary data for the general fund is prepared based on prior year actual operating revenues and expenditures. The general fund is maintained on the modified accrual basis and therefore no reconciliations between legally enacted basis and GAAP basis is required. The budget was made available for public inspection at the time of adoption. The budget was amended on June 30, 2023.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Second Judicial District Public Defender may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Defender may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Defender may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Defender reports restricted assets on the Statement of Net Position (Statement A), if applicable.

H. Investments

The Second Judicial District Public Defender's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Defender may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Defender may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for those which are permitted under GASB Statement No. 31 to use a different valuation measurement.

In accordance with paragraph 69 of GASB Statement No. 72, the Defender reports at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the governmental column of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Defender maintains a threshold level of \$500 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Furniture, computers	5 years
Vehicles	5 years

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

J. Deferred Outflows of Resources

The Defender reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The Defender did not report any deferred outflows of resources, and no deferred outflows of resources affect the governmental funds financial statements.

K. Compensated Absences

There are no accumulated and vested benefits relating to vacation and sick leave.

L. Deferred Inflows of Resources

The Defender reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position. The Defender will not recognize the related revenues until a future event occurs. The Defender did not report any deferred inflows of resources in the government-wide statements, and no deferred inflows of resources affect the governmental funds financial statements.

M. Estimates

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

2. Cash, Cash Equivalents, and Investments

At June 30, 2023, the Defender had cash and cash equivalents (book balances) totaling \$345,507. 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.

At June 30, 2023, the Defender had \$387,606 in deposits (collected bank balances). These deposits are secured from risk by \$371,776 federal deposit insurance and \$432,435 in pledged securities.

Cash and investments are categorized to give an indication of the level of risk assumed by the Fund at June 30, 2023. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Second Judicial District Public Defender has cash and cash equivalents that are covered by federal depository insurance and pledged securities.

At June 30, 2023, the Defender had no investments.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

3. Receivables

The receivables of \$7,762 at June 30, 2023, are as follows:

	Bienville Parish	Claiborne Parish	Jackson Parish	Other	Total
2% Bond Premium	\$ -	\$ -	\$ 688	\$ -	688
Court costs	-	-	663	-	663
Condition of Probation	-	-	-	-	-
Application Fees	40	-	40	-	80
Grant Income	-	-	-	6,331	6,331
Total	\$ 40	\$ -	\$ 1,390	\$ 6,331	\$ 7,762

4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023
Capital assets being depreciated				
Furniture, computers	\$ 15,630	\$ -	\$ -	15,630
Equipment	8,103	4,975	-	13,078
Total capital assets being depreciated	23,733	4,975	-	28,708
Less accumulated depreciation				
Furniture, computers	15,630	-	-	15,630
Equipment	8,103	83	-	8,186
Total accumulated depreciation	23,733	83	-	23,816
Governmental capital assets - net	\$ -	\$ 4,892	\$ -	\$ 4,892

There was \$83 of depreciation expense charged to the general government.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

5. Payables

There were payables of \$4,262 at June 30, 2023, as follows:

Payroll liabilities	\$	3,476
Accounts payable		<u>786</u>
Total	\$	<u><u>4,262</u></u>

6. Long-Term Obligations

The Defender has no long-term obligations.

7. Litigation and Claims

Management advised that the Second Judicial District Public Defender is not involved in any legal action which would have a negative impact on the Defender.

8. Retirement and Pension Commitments

The Second Judicial District Public Defender does not participate in any retirement or pension plans. The Defender has no retirement or pension commitments.

9. Governmental Fund Revenues and Expenditures

For the year ended June 30, 2023, the major sources of governmental fund revenues and expenditures were as follows:

Revenues		
State Government		
Grants	\$	<u>293,444</u>
Total		293,444
Local Government		
Statutory fines, forfeitures, fees, court costs, other		30,898
Criminal court fund		<u>200,096</u>
Total		230,994
Investment earnings		<u>1,375</u>
Total Revenues	\$	<u><u>525,813</u></u>

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Notes to the Financial Statements
As of and for the year ended June 30, 2023

Expenditures	
Operating Cost	
Contract services - attorney/legal	508,400
Contract services - other	6,414
Insurance	4,099
Other	49,246
Total	<u>568,159</u>
Capital outlay	<u>4,975</u>
Total Expenditures	<u>\$ 573,134</u>

10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 29, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2023

	Budget - Original	Budget - Final	Actual	Variance - Favorable (Unfavorable)
Revenues				
Operating grant	\$ 279,275	\$ 293,444	\$ 293,444	\$ -
Court costs, fines, and forfeitures	287,528	231,698	228,772	(2,926)
Appearance bond rebates and bond premium fees	3,500	630	1,300	670
Miscellaneous	-	-	922	922
Total revenues	<u>570,303</u>	<u>525,772</u>	<u>524,438</u>	<u>(1,334)</u>
Expenditures				
Current:				
Contracted legal services	528,480	528,480	534,292	(5,812)
Contracted capital defense, experts	7,500	4,750	-	4,750
Office and research	15,500	15,246	10,001	5,245
Professional services	12,700	13,000	12,892	108
Travel and seminars	2,500	5,925	5,925	-
Insurance	1,723	5,010	4,099	911
Miscellaneous	-	-	948	(948)
Personnel services	2,500	-	-	-
Capital outlay	-	4,975	4,975	-
Total expenditures	<u>570,903</u>	<u>577,386</u>	<u>573,132</u>	<u>4,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(600)</u>	<u>(51,614)</u>	<u>(48,694)</u>	<u>2,920</u>
Other financing sources (uses)				
Interest earnings	600	600	1,375	775
Total other financing sources (uses)	<u>600</u>	<u>600</u>	<u>1,375</u>	<u>775</u>
Net changes in fund balances	-	(51,014)	(47,319)	3,695
Fund balances - June 30, 2022	<u>396,326</u>	<u>396,326</u>	<u>396,326</u>	<u>-</u>
Fund balances - June 30, 2023	<u>\$ 396,326</u>	<u>\$ 345,312</u>	<u>\$ 349,007</u>	<u>\$ 3,695</u>

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



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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Second Judicial District Public Defender
Jonesboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Second Judicial District Public Defender, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Second Judicial District Public Defender's basic financial statements and have issued our report thereon dated December 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Second Judicial District Public Defender's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Second Judicial District Public Defender's internal control. Accordingly, we do not express an opinion on the effectiveness of the Second Judicial District Public Defender'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Second Judicial District Public Defender's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
December 29, 2023

SUPPLEMENTAL INFORMATION

Second Judicial District Public Defender
Jonesboro, Louisiana

Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

We have audited the basic financial statements of the Second Judicial District Public Defender as of and for the year ended June 30, 2023 and have issued our report thereon dated December 29, 2023. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2023 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.

Second Judicial District Public Defender
Bienville, Claiborne, and Jackson Parishes

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended June 30, 2023

Steven M. Gatlin District Indigent Defender	
Salary	\$ 84,000
Payroll taxes	6,426
Mileage expense	<u>1,337</u>
	<u>\$ 91,763</u>

Second Judicial District Public Defender
Jonesboro, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
For the year ended June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 06/30/23
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	-
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	1,500	722
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	1,500	722
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)	-	-
Second Judicial District Public Defender, Criminal Court Costs/Fees	1,500	722
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies (Please enter zeros if no activity within a certain line item)		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	1,500	722

Second Judicial District Public Defender
 Jonesboro, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
 For the year ended June 30, 2023

Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
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Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
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Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
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Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-
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Second Judicial District Public Defender
Jonesboro, Louisiana

Justice System Funding Schedule - Receiving Entity
For the year ended June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 06/30/23
Receipts From: (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)		
Bienville Parish Sheriff's Office-Criminal Court Costs/Fees	37,315	75,072
Bienville Parish Sheriff's Office-Bond Fees	7,941	6,312
Claiborne Parish Sheriff's Office-Criminal Court Costs/Fees	23,040	19,834
Claiborne Parish Sheriff's Office-Bond Fees	4,903	12,320
District Assistance Fund-Criminal Court Costs/Fees	222,641	42,360
Jackson Parish Sheriff's Office-Criminal Court Costs/Fees	17,387	14,920
Jackson Parish Sheriff's Office-Bond Fees	2,803	1,794
Louisiana Public Defender Board-Criminal Court Costs/Fees	7,500	25,508
Subtotal Receipts	<u>323,530</u>	<u>198,120</u>
Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)	-	-



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Second Judicial District Public Defender
Jonesboro, Louisiana
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 01, 2022 through June 30, 2023. Second Judicial District Public Defender's management is responsible for those C/C areas identified in the SAUPs.

Second Judicial District Public Defender has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 01, 2022 through June 30, 2023. 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:

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Response: Written policy.

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

Response: Written policy excluding public bid law.

- iii. Disbursements, including processing, reviewing, and approving,

Response: Written policy.

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

Response: Written policy excluding determining the completeness of all collections.

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

Response: Written policy.

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

Response: Written policy.

vii. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Response: No written policy.

viii. Credit Cards (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Response: Written policy excluding allowable business uses.

ix. 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.

Response: No written policy.

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

Response: Written policy.

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

Response: No written policy.

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

Response: Written policy excluding annual reporting.

Exception: See responses.

Management's Response: Management will adopt written policies and procedures for Travel and Expense reimbursement, Ethics, and IT Disaster Recovery/business continuity. Management will amend the policy for purchasing to cover bid law, receipts to include how they will determine the completeness of collections, the credit card policy to state the allowable business uses, and the sexual harassment to include requirements for annual reporting.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, 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.
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exception: There is no board.

Management's Response: None.

3) Bank Reconciliations

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

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

Response: Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Response: No written evidence that a member of management or a board member has reviewed the bank reconciliation.

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

Response: No outstanding items for more than 12 months.

Exception: See responses.

Management's Response: Management will ensure there is written evidence indicating bank reconciliations have been reviewed by a member of management.

4) Collections

A. 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).

Response: Management provided listing of deposit sites and representation listing was complete.

B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Response: There are no cash collections.

C. 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 in force during the fiscal period.

Response: There are no cash collections.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3a (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). 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:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Response: Collections are electronic deposits and they were traced from the bank statement to to the general ledger.

Management's Response: None.

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

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

B. For each location selected under procedure #5a above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Response: All purchases are made by the District Defender.

ii. At least two employees are involved in processing and approving payments to vendors;

Response: All payments are processed by the District Defender.

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Response: All payments are processed by the District Defender.

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Response: All payments are processed by the District Defender.

v. 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.

Response: All payments are processed by the District Defender.

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

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

Response: All disbursements excluding four were supported by an original invoice and indicated received by the entity.

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

Response: All disbursements excluding seven included evidence of segregation of duties.

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

Response: No non-payroll electronic disbursements for period selected for review.

Exception: See responses.

Management's Response: None.

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

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder.

ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #7b 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.

Response: Entity has no credit cards.

Exception: See response.

Management's Response: None.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

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

iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Response: All reimbursements reviewed met the above criteria.

Exception: See responses.

Management's Response: None.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

i. 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;

Response: Contracts were not subject to bid law.

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

Response: Contracts were approved according to policy.

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

Response: Contracts were not amended.

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

Response: Each contract payment reviewed agreed to the contract terms.

Management's Response: None.

9) Payroll and Personnel

A. 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.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9a above, obtain attendance records and leave documentation for the pay period, and

i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Response: All employees/officials excluding one documented their daily attendance and leave.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Response: Attendance for one employee had no indication of review and approval by a supervisor.

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Response: None.

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Response: Entity does not retain personnel files.

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

Response: No terminated employees.

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

Response: Management provided representation that all third-party payroll related amounts have been paid and forms were submitted by the required deadlines.

Exception: See responses.

Management's Response: None.

10) Ethics

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

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Response: All employees/officials excluding one completed the required ethics training during the calendar year.

ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Response: No changes in ethics policy.

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

Response: No officially appointed ethics designee.

Exception: See responses.

Management's Response: Management will ensure all employees/officials will complete the required ethics training during the calendar year.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Response: No debt service.

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

Response: None.

Management's Response: None.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Response: No missappropriations of public funds and assets during the fiscal period.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Response: Fraud notice is posted on the premises.

Management's Response: None.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

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

i. 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 testing/verifying backup restoration) 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.

ii. 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.

iii. 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.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9c. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Management's Response: None.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9a, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Response: All employees/officials excluding one completed the required sexual harrassment training during the calendar year.

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

Response: The sexual harrassment policy is posted on the premises.

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

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

Response: The annual sexual harassment report was not completed before February 1st for the current fiscal period and it excludes the number and percentage of public servants in the agency who have completed the training requirements.

Management's Response: Management will ensure all employees/officials complete the required sexual harassment training during the calendar year and the annual report is completed on or before February 1st.

We were engaged by Second Judicial District Public Defender 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 Second Judicial District Public Defender 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.

Kenneth D. Folden & Co., CPAs, LLC

Jonesboro, Louisiana
December 29, 2023



SECOND JUDICIAL DISTRICT
JACKSON, CLAIBORNE & BIENVILLE PARISH

December 29, 2023

Kenneth D. Folden & Co., CPAs, LLC
302 8th Street
Jonesboro, LA 71251

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 01, 2022 through June 30, 2023, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (as applicable).

Yes No

2. For the fiscal period July 01, 2022 through June 30, 2023, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No

4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No

6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2023, and December 29, 2023.

Yes No

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7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.

Yes No

22. We have disclosed to you any other matters as we have deemed appropriate.

Yes No

23. We have responded fully to all inquiries made by you during the engagement.

Yes No

24. We have disclosed to you all known events that have occurred subsequent to June 30, 2023, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.

Yes No

The previous responses have been made to the best of our belief and knowledge.

Signature  _____

Date December 29, 2023 _____

Title District Defender _____