

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

FINANCIAL REPORT

Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund, of the 19th Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The District has omitted 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The justice system funding schedule and the schedule of compensation, benefits, and other payments to the agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the justice system schedule and the schedule of compensation, benefits, and other payments to the agency head are fairly stated in all material respects to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 27, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

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

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 407,682
Due from other governmental agencies	176,754
Prepaid expenses	16,076
Total current assets	600,512
Noncurrent assets:	
Capital assets, net of accumulated depreciation	31,962
Total assets	632,474
LIABILITIES	
Current liabilities:	
Accounts payable	4,613
Accrued liabilities	99,316
Total current liabilities	103,929
NET POSITION	
Net investment in capital assets	31,962
Unrestricted	496,583
Total net position	\$ 528,545

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

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

Statement of Activities
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Change in Net Position
		Charges for Services and Fines	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 5,617,024</u>	<u>\$ 1,599,956</u>	<u>\$ 3,693,848</u>	<u>\$ (323,220)</u>
				General revenues:
				Interest income
				20,925
				Miscellaneous
				45,716
				<u>66,641</u>
				Change in net position
				(256,579)
				Net position, beginning
				<u>785,124</u>
				Net position, ending
				<u>\$ 528,545</u>

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

FUND FINANCIAL STATEMENTS

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

Balance Sheet - Governmental Fund
June 30, 2021

	<u>General Fund</u>
ASSETS	
Cash and interest-bearing deposits	\$ 407,682
Due from other governmental agencies	176,754
Prepaid expenses	<u>16,076</u>
Total assets	<u>\$ 600,512</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 4,613
Accrued liabilities	<u>99,316</u>
Total liabilities	<u>103,929</u>
Fund balance:	
Nonspendable - prepaid items	16,076
Unassigned	<u>480,507</u>
Total fund balance	<u>496,583</u>
Total liabilities and fund balance	<u>\$ 600,512</u>

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

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

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balance for the governmental funds at June 30, 2021 \$ 496,583

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds. Those assets consist of:

Equipment, net of \$69,077 accumulated depreciation	\$ 31,745	
Furniture and fixtures, net of \$39,956 accumulated depreciation	<u>217</u>	<u>31,962</u>

Net position at June 30, 2021 \$ 528,545

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2021

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
District assistance fund - Louisiana IDAB	\$ 2,883,928
Court cost and bond forfeitures	1,462,272
Rental taxes	53,883
Local grants	809,920
Charges for service -	
Partially indigent and application fees	83,801
Interest income	20,925
Miscellaneous	<u>45,716</u>
Total revenues	5,360,445
Expenditures:	
Current -	
Indigent defense:	
Operations	<u>5,603,637</u>
Net change in fund balance	(243,192)
Fund balance, beginning	<u>739,775</u>
Fund balance, ending	<u>\$ 496,583</u>

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

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

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balance for the year ended June 30, 2021 per statement of revenues, expenditures and changes in fund balance	\$ (243,192)
The change in net position reported for governmental activities in the statement of activities is different because:	
Depreciation expense for the year ended June 30, 2021	<u>(13,387)</u>
Total changes in net position for the year ended June 30, 2021 per statement of activities	<u>\$ (256,579)</u>

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

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

Notes to the Basic Financial Statements

INTRODUCTION

The 19th Judicial District Public Defenders' Office (District) provides criminal defense to indigent persons in Louisiana's 19th Judicial District. The function is accomplished by maintaining an administrative staff and contracting for legal and other defense experts.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The District is part of the operations of the Louisiana Public Defender Board. House Bill No. 436, Act No. 307 of the 2007 regular legislative session enacted the Louisiana Public Defender Act, effective August 15, 2007, creating the Louisiana Public Defender Board with oversight responsibilities of service regions and individual district public defender offices. The Louisiana Public Defender Board, which is established as a state agency, is to provide for the supervision, administration, and delivery of a statewide public defender system that is independent of local politics. Service regions are created to help provide supervision over district offices. The Louisiana Public Defender Board has the power to provide for the powers and duties of district public defenders and for the filling of vacancies.

The accompanying financial statements present information only on the Offices maintained by the 19th Judicial District Public Defenders' Office.

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with professional standards.

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

Notes to the Basic Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District's functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The major fund and only fund of the District is described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the District and it accounts for the operations of the District. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and internal policy.

C. Measurement Focus/Basis of Accounting

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

The amounts reflected in the governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

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

Notes to the Basic Financial Statements (Continued)

Revenues

Court costs, bond forfeitures, fees from indigents, and intergovernmental revenues are recorded when the District is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District's primary expenditures include salaries and contracted legal services, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

E. Capital Assets

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

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

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

F. Compensated Absences

Employees of the District can earn from two to four weeks of vacation leave each year, depending on their position and length of service. Vacation leave must be taken in the year it is earned. Employees can earn one day of sick leave per month and can carry over unused leave to the next year. Personal leave is not compensable if an employee leaves the service of the District. At June 30, 2021, the District has no leave benefits required to be reported in accordance with generally accepted accounting principles.

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

Notes to the Basic Financial Statements (Continued)

G. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2021.

H. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the District, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the District may assign amounts for specified purposes.

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

Notes to the Basic Financial Statements (Continued)

- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

I. Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the District had deposits (book balances) totaling \$407,682 as follows:

Demand Deposits	\$ 318,345
Interest-bearing deposits	89,337
Total	<u>\$ 407,682</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. These deposits are stated at cost, which approximates market.

Deposit balances (bank balances) at June 30, 2021 are secured as follows:

Bank balances	<u>\$416,392</u>
Federal deposit insurance	\$342,523
Pledged securities	73,869
Total	<u>\$416,392</u>

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

Notes to the Basic Financial Statements (continued)

Deposits in the amount of \$73,869 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

(3) Due From Other Governmental Agencies

At June 30, 2021, the amounts due from other governmental agencies consist of the following:

Court fees	\$ 53,851
District assistance fund	33,384
Sheriff settlement	63,268
Other	26,251
	\$ 176,754

(4) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	7/1/2020	Additions	Deletions	6/30/2021
Capital assets:				
Equipment	\$ 100,823	\$ -	\$ -	\$ 100,823
Furniture and fixtures	40,173	-	-	40,173
Totals	140,996	-	-	140,996
Less: accumulated depreciation				
Equipment	(55,891)	(13,187)	-	(69,078)
Furniture and fixtures	(39,756)	(200)	-	(39,956)
Total accumulated depreciation	(95,647)	(13,387)	-	(109,034)
Capital assets, net	\$ 45,349	\$ (13,387)	\$ -	\$ 31,962

Depreciation expense in the amount of \$13,387 was charged to general government.

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

Notes to the Basic Financial Statements (Continued)

(5) Risk Management

The District is exposed to risks of loss in the areas of general liability, malpractice, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(6) Deferred Compensation Plan

Certain employees of the District participate in the 19th Judicial District Public Defenders' Office Tax Sheltered Annuity Plan (Plan) adopted under the provisions of Internal Revenue Code Section 403(b), which is invested in American Funds, and administered by A.G. Edwards. The District does not have managerial or financial responsibility for the plan assets. Each participant is fully vested at the time of contribution, and the District contributes 7.5% of each participant's salary. At June 30, 2021, the District contributed \$319,544 to the Plan.

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

Notes to the Basic Financial Statements (Continued)

(7) Governmental Office Revenues and Expenditures

For the year ended June 30, 2021, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government -	
Appropriations - general	\$ 2,883,928
Local Government -	
Statutory fines, forfeitures, fees, court costs, and other	1,516,155
Grants - City-Parish of East Baton Rouge	809,920
Charges for Services	83,801
Investment Earnings	20,925
Miscellaneous	<u>45,716</u>
Total Revenues	<u>\$ 5,360,445</u>

Expenditures:

Personnel Services and Benefits -	
Salaries	\$ 3,934,002
Retirement contributions	319,544
Insurance	479,067
Payroll taxes	<u>52,468</u>
Total	<u>4,785,081</u>
Professional Development -	
Dues, licenses, and registrations	<u>9,696</u>
Operating Costs -	
Library and research	44,215
Contract services - attorney/legal	589,802
Contract services - other	38,456
Lease - autos and other	17,063
Travel - other	2,273
Insurance	32,226
Supplies	31,407
Repairs and maintenance	5,559
Utilities and telephone	33,010
Other	<u>14,849</u>
Total	<u>808,860</u>
Total Expenditures	<u>\$ 5,603,637</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

Budgetary Comparison Schedule
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental revenues -				
District assistance fund - Louisiana IDAB	\$2,411,855	\$2,857,436	\$2,883,928	\$ 26,492
Court cost and bond forfeitures	683,442	1,707,238	1,462,272	(244,966)
Rental taxes	21,600	43,000	53,883	10,883
Local grants	2,040,932	170,000	809,920	639,920
Charges for service -				
Partially indigent and application fees	299,046	270,200	83,801	(186,399)
Other Grants				-
Interest income	28,287	20,000	20,925	925
Miscellaneous	116,988	77,900	45,716	(32,184)
Total revenues	<u>5,602,150</u>	<u>5,145,774</u>	<u>5,360,445</u>	<u>214,671</u>
Expenditures:				
Current -				
Indigent defense:				
Operations	5,349,941	5,737,687	5,603,637	134,050
Capital outlay -	39,369	500	-	500
Total expenditures	<u>5,389,310</u>	<u>5,738,187</u>	<u>5,603,637</u>	<u>134,550</u>
Excess of revenues over expenditures	212,840	(592,413)	(243,192)	349,221
Fund balance, beginning	<u>739,775</u>	<u>739,775</u>	<u>739,775</u>	<u>-</u>
Fund balance, ending	<u>\$ 952,615</u>	<u>\$ 147,362</u>	<u>\$ 496,583</u>	<u>\$ 349,221</u>

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

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

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

(2) Budget Adoption

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

1. A proposed budget is prepared and submitted by the District for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of the fiscal year.

**OTHER
SUPPLEMENTARY INFORMATION**

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

Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021

Cash Basis Presentation	Six Month Period Ended 12/31/2020	Six Month Period Ended 06/30/2021
Receipts From:		
<i>CINC-Parent IDB</i>	\$ 52,349	\$ -
<i>District Assistant Fund</i>	-	421,424
<i>LA Center for Children's Rights (Rent)</i>	3,600	2,400
<i>City of Baton Rouge</i>	-	705,000
<i>City of Baton Rouge (Auto Rental Tax)</i>	23,951	24,330
<i>EBR Sheriff (Bond Fees)</i>	36,060	30
<i>EBR Sheriff Settlement (2% Bond Fees)</i>	155,035	53,842
<i>EBR Sheriff \$45 Special Court Costs</i>	171,936	118,303
<i>EBR Sheriff Bail Bond Forfeiture</i>	194	-
<i>Baton Rouge City Court Court Costs</i>	265,290	496,605
<i>Baton Rouge City Traffic Fines</i>	-	350
<i>Baker City Court Court Costs</i>	11,429	15,222
<i>Baker City Court Application Fees</i>	-	560
<i>Zachary City Court Court Costs</i>	21,625	-
<i>Zachary City Court Application Fees</i>	-	6,855
<i>EBR Juvenile Traffic Court Fees</i>	1,593	2,415
<i>EBR Juvenile Court Court Fees</i>	-	158
<i>EBR Juvenile Court Application Fees</i>	-	140
<i>EBR Sheriff Tax Collector (Court Ordered Fees)</i>	10,816	2,295
<i>Zachary City Court (Court Ordered Fees)</i>	1,827	6,605
<i>Criminal Justice Coordinator (Recat Grant)</i>	-	21,250
<i>Interest Earned on Collected Balances</i>	18,400	2,525
Total Receipts	\$ 774,105	\$ 1,880,309
Ending Balance of Amounts Assessed but Not Received	-	-

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

Schedule of Compensation, Benefits and Other
Payments to Agency Head
For the Year Ended June 30, 2021

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 73,210
Benefits - Insurance	3,233
Benefits - Retirement	5,491
Total	<u>\$ 81,934</u>

KOLDER, SLAVEN & COMPANY, LLC

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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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the 19th Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2021-001 through 2021-004 that we considered to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District'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 under *Government Auditing Standards* and which are described in the accompanying summary schedule of audit results and findings as item 2021-005 and 2021-006.

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of audit results and findings. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

KOLDER, SLAVEN & COMPANY, LLC
Certified Public Accountants

Baton Rouge, Louisiana
December 27, 2021

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

Schedule of Audit Results and Findings
Year Ended June 30, 2021

Part I. Findings in accordance with *Government Auditing Standards* and Management's Corrective Action Plan:

A. Internal Control Findings –

2021-001 – Inadequate Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the condition is the result of failure to design and implement policies and procedures necessary to achieve adequate internal control.

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

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

Schedule of Audit Results and Findings
Year Ended June 30, 2021

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

Year Initially Occurring: Year ended June 30, 2021

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

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the condition is the result of the District's failure to review and reconcile bank and credit card statements properly and timely.

EFFECT: Errors in the District's general ledger cash balance potentially were not able to be detected by the District.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: All bank statements and credit card statements are routed to the Business Manager for reconciliation and entry into the accounting software. Completed reconciliations are reviewed and signed by the Chief District Defender.

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

Schedule of Audit Results and Findings
Year Ended June 30, 2021

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

Year Initially Occurring: Year ended June 30, 2021

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

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The District failed to remit the required employer contributions to the 403(B)-retirement plan.

EFFECT: Failure to remit the required employer contributions to the 403(B)-retirement plan could result in a material misstatement to the financial statements.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Business Manager will calculate contributions and submit for approval within 3 business days after payroll. The calculation worksheet shows eligibility dates for all employees. The Chief Defender will review and approve contribution calculation. The Business Manager will then submit the payment.

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

Schedule of Audit Results and Findings
Year Ended June 30, 2021

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

Year Initially Occurring: Year ended June 30, 2021

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

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The District's internal control over financial reporting includes those policies and procedures that pertain to the District's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The District did not maintain proper supporting documentation of the authorized pay rate for employees and a failure to properly review and evaluate processing and recordation of payroll.

EFFECT: Use of incorrect pay rate could possibly lead to overpayment and could constitute a prohibited donation of public funds and/or payment of a compensation not due.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: All pay changes are to be documented and signed by the Chief District Defender. Once a signed change is received, the Business Manager implements the change.

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

Schedule of Audit Results and Findings
Year Ended June 30, 2021

B. Compliance Findings –

2021-005 – Improper remittance of Retirement Contributions

Year Initially Occurring: Year ended June 30, 2021

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

CRITERIA: Noncompliance with 403(B)-retirement plan documents requiring employer contribution rate of 7.5%.

CAUSE: The condition results from failure to remit the required employer contributions to the 403(B)-retirement plan as prescribed in the plan document.

EFFECT: Failure to remit the required employer contributions to the 403(B)-retirement plan could result in a material misstatement to the financial statements and noncompliance with established plan policies.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Business Manager will calculate contributions and submit for approval within 3 business days after payroll. The calculation worksheet shows eligibility dates for all employees. The Chief Defender will review and approve contribution calculation. The Business Manager will then submit the payment.

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

Schedule of Audit Results and Findings
Year Ended June 30, 2021

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

Year Initially Occurring: Year ended June 30, 2021

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

CRITERIA: Article VII, Section 14(a) of the Louisiana Constitution of 1974 states, in part: *"Except as otherwise provided in the Constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private"*.

CAUSE: The District did not maintain proper supporting documentation of the authorized pay rate for employees and a failure to properly review and evaluate processing and recordation of payroll.

EFFECT: Use of incorrect pay rate could possibly lead to overpayment and could constitute a prohibited donation of public funds and/or payment of a compensation not due. The District may have violated Article VII, Section 14 of the Louisiana Constitution.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: All pay changes are documented and signed by the Chief District Defender. Once a signed change is received, the Business Manager implements the change. Employee deductions and insurance invoices are reconciled monthly to insure accuracy. Reconciliations are included with the invoice for approval.

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

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2021

Part II. Prior Year Findings and Management's Corrective Action Plan:

A. Internal Control Findings –

2020-001 – Inadequate Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

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

CURRENT STATUS: See schedule of audit results and findings, item 2021-001.

B. Compliance Findings –

2020-002 – Noncompliance with Bid Law

CONDITION: The District purchased 57 computers in excess of \$30,000 that were paid out of public funds without advertising to determine the lowest bidder.

RECOMMENDATION: Management should comply with requirements of LSA-RS 38:2212.1 when purchasing materials and supplies with public funds.

CURRENT STATUS: The finding did not reoccur.