

**TWENTY-SECOND JUDICIAL DISTRICT  
PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

Annual Financial Statements

June 30, 2022



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## Independent Auditor's Report

Mr. John W. Linder II, District Public Defender  
and the Louisiana Public Defender Board  
Twenty-Second Judicial District  
Public Defender Office  
Covington, Louisiana

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office (the Public Defender Office), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Public Defender Office's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Twenty-Second Judicial District Public Defender Office and to meet our 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.

### 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.

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 Twenty-Second Judicial District Public Defender Office's ability to continue as a going concern for twelve months before the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## LOUISIANA • TEXAS

## **Auditor's Responsibility 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 judgement 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 also:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Twenty-Second Public Defender Office'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 Twenty-Second Judicial District Public Defender Office'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 schedule of revenues, expenditures, and changes in fund balance - budget and actual 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.

Management has omitted the management’s discussion and analysis information 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 be an essential part of 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.

*Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Defender Office’s basic financial statements. The schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), and the justice system funding schedule are presented for the purpose 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 justice system funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the justice system funding schedule 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 November 28, 2022, on our consideration of the Twenty-Second Judicial District Public Defender Office’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 Public Defender Office’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 Twenty-Second Judicial District Public Defender Office’s internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
November 28, 2022

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Statement of Net Position  
June 30, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 890,861
Accounts Receivable	94,016
Probation Fees Receivable - Net of Allowance of \$1,395,873	99,966
ROU Asset - Washington Office Lease	8,597
Capital Assets, Net of Accumulated Depreciation	<u>2,721</u>
<b>Total Assets</b>	<u>1,096,161</u>
<b>Liabilities</b>	
Accounts Payable	679
Accrued Payroll Liabilities	32,706
Unearned Revenue - Felony Probation Fees	99,966
Noncurrent Liabilities:	
Due within One Year - Lease	<u>10,244</u>
<b>Total Liabilities</b>	<u>143,595</u>
<b>Net Position</b>	
Net Investment in Capital Assets	2,721
Unrestricted	<u>949,845</u>
<b>Total Net Position</b>	<u><u>\$ 952,566</u></u>

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Statement of Activities  
For the Year Ended June 30, 2022**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities</b>				
Public Defender	\$ 3,215,519	\$ 48,363	\$ 2,107,713	\$ (1,059,443)
<b>General Revenues</b>				
Court Costs, Fees, and Charges				897,599
Shared Revenues				222,333
Interest and Earnings on Investments				453
Other Income				16,109
<b>Total General Revenues</b>				<u>1,136,494</u>
<b>Change in Net Position</b>				<u>77,051</u>
<b>Net Position, Beginning of Year</b>				877,601
<b>Cumulative Effect of Change in Accounting Principle</b>				<u>(2,086)</u>
<b>Net Position, Beginning of Year, Restated</b>				<u>875,515</u>
<b>Net Position, End of Year</b>				<u>\$ 952,566</u>

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



**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Balance Sheet  
Governmental Funds  
June 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 890,861	\$ -	\$ 890,861
Accounts Receivable	94,016	-	94,016
Probation Fees Receivable - Net of Allowance of \$1,395,873	99,966	-	99,966
<b>Total Assets</b>	<b>\$ 1,084,843</b>	<b>\$ -</b>	<b>\$ 1,084,843</b>
<b>Liabilities</b>			
Accounts Payable	\$ 679	\$ -	\$ 679
Accrued Payroll Liabilities	32,706	-	32,706
Unearned Revenue - Felony Probation Fees	99,966	-	99,966
<b>Total Liabilities</b>	<b>133,351</b>	<b>-</b>	<b>133,351</b>
<b>Fund Balance</b>			
Unassigned	951,492	-	951,492
<b>Total Fund Balance</b>	<b>951,492</b>	<b>-</b>	<b>951,492</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,084,843</b>	<b>\$ -</b>	<b>\$ 1,084,843</b>

**Reconciliation of the governmental fund balance sheet to the  
statement of net position**

Total Fund Balance	\$ 951,492
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,721
Other Long-term assets that are not available to pay for current period expenditures and, therefore are either deferred or not reported in the fund.	8,597
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the fund:	
Lease	(10,244)
<b>Net Position of Governmental Activities</b>	<b>\$ 952,566</b>

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Court Costs, Fees, and Charges	\$ 897,599	\$ -	\$ 897,599
Shared Revenues	222,333	-	222,333
Intake Fees	48,363	-	48,363
Grants and Awards			
State of Louisiana	-	1,989,434	1,989,434
Judicial District Court	118,279	-	118,279
Interest Income	453	-	453
Miscellaneous Income	16,109	-	16,109
<b>Total Revenues</b>	<b>1,303,136</b>	<b>1,989,434</b>	<b>3,292,570</b>
<b>Expenditures</b>			
Salaries, Wages, and Fringes	885,645	1,832,176	2,717,821
Contract Attorney Fees and Costs	186,529	157,258	343,787
Telephone and Utilities	30,550	-	30,550
Insurance	29,461	-	29,461
Continuing Education	21,185	-	21,185
Accounting and Audit	19,801	-	19,801
Other Operating Expenses	17,604	-	17,604
Office Supplies and Expenses	15,408	-	15,408
Law Library	5,478	-	5,478
Travel	871	-	871
Capital Outlays	1,229	-	1,229
Debt Service - Principal	10,756	-	10,756
Debt Service - Interest	644	-	644
<b>Total Expenditures</b>	<b>1,225,161</b>	<b>1,989,434</b>	<b>3,214,595</b>
<b>Net Change in Fund Balances</b>	<b>77,975</b>	<b>-</b>	<b>77,975</b>
<b>Fund Balances, Beginning of Year</b>	<b>873,517</b>	<b>-</b>	<b>873,517</b>
<b>Fund Balances, End of Year</b>	<b>\$ 951,492</b>	<b>\$ -</b>	<b>\$ 951,492</b>

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2022**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	77,975
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(1,363)
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Other long-term assets are not recorded on the fund: Amortization of Right-of-Use Asset		(10,317)
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Payments of long-term liabilities uses current resources of governmental funds, but paying debt decreases long-term liabilities in the Statement of Net Position Principal paid on Lease		<u>10,756</u>
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<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>77,051</u></b>
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The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

The Twenty-Second Judicial District Public Defender Office (the Public Defender Office) operates under Act 307 implemented August 15, 2007. The Public Defender Office provides counsel to represent indigent (needy) individuals in criminal cases at the district level. The Public Defender Office encompasses the Parishes of Washington and St. Tammany, which are located in the State of Louisiana.

The Public Defender Office is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. A State of Louisiana Public Defender Board governs the Louisiana Public Defender Office.

Revenues to finance the Public Defender Office's operations are provided primarily from court costs or fines imposed by the various courts within the district and from state revenues received through either annual distributions or targeted program funding from the Louisiana Public Defender Office.

**Basis of Presentation**

The accompanying basic financial statements of the Twenty-Second Judicial District Public Defender Office have been presented in conformity with governmental accounting standards generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

**Government-Wide Financial Statements (GWFS)**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Public Defender Office. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

***Fund Financial Statements (FFS)***

The Public Defender Office uses funds to maintain its financial records during the year. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of the Public Defender Office are classified as governmental. 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 entity or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Public Defender Office uses two funds to report the Public Defender Office's financial position and the results of operations. The General Fund reports all transactions of the Public Defender Office other than those funds to be used for a purpose specified by law or agreement. A Special Revenue Fund (grant fund) reports all transactions for grant money.

**Reporting Entity**

For financial statement reporting purposes, the Public Defender Office is a part of the district court system of the State of Louisiana. However, the state statutes that created the Public Defender Office also gave it control over all of its operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Public Defender Office is financially independent and operates independently from the district court system. These financial statements include only the transactions of the Public Defender Office.

**Basis of Accounting**

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

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

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting (Continued)**

The amounts reflected in the governmental fund financial statements 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 Public Defender Office 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. The General Fund uses the following practices in recording revenues and expenditures:

*Revenues* - Court costs or fines and forfeitures imposed by the district and city courts are recorded in the year they are collected by the contributing agencies. Fees from indigents are recorded when received. Interest income is accrued when earned. All other revenues and grants are recorded when earned.

*Expenditures* - Expenses, other than payroll, are generally recognized when incurred. Payroll liabilities are recognized when the related liability is incurred. Operating and non-operating liabilities are recorded when significant or material.

**Budget Policies**

The Public Defender Office is required by law to adopt an annual budget. The Public Defender Office adopted and prepared a budget for the Governmental Funds on the modified accrual basis of accounting for the year ended June 30, 2022. This budget is presented with these financial statements in the required supplementary information section of the report on page 22.

This budget was integrated into the accounting records and employed as a management control device. Budget and actual financial performance are presented to the Louisiana Public Defender Board on an annual and monthly basis for corresponding balance sheet and income/expense performances. The Public Defender Office does not use encumbrance accounting and appropriations lapse at the end of each year.

**Cash and Cash Equivalents and Investments**

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the Public Defender Office may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Probation Fees Receivable**

Receivables for probation fees are fees imposed by the courts as a condition of probation and are reported net of uncollectible amounts. Traditionally, collection of these fees is highly questionable. Accordingly, the amounts considered to be collectible are recorded as unearned revenue.

**Grants**

The Public Defender Office's major grants are reported as special revenue in a Special Revenue Fund. These two grants are from the Louisiana Public Defender Office's District Assistance Fund and CINC Representation Fund.

**Use of Estimates**

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

**Compensated Absences**

The Public Defender Office's employees earn varying amounts of vacation and sick leave each year. Employees can carry over unused sick leave remaining at the end of the year. Employees are allowed to carry over only one week of unused vacation leave at the end of the year. Any remaining balance is forfeited.

Effective January 1, 2019, employees may not be compensated for any unused vacation leave at the termination of their employment.

**Capital Assets**

All fixed assets of the Public Defender Office are recorded at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against its operations.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The Public Defender Office capitalizes equipment and furniture in excess of \$500. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures, and Equipment	7 - 10 Years	Straight-Line
Computers	5 - 10 Years	Straight-Line

Depreciation expense amounted to \$1,363 for the year ended June 30, 2022.



**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Equity Classifications**

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - Consists of amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - Consists of all amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Public Defender Office's policy is to apply restricted net position first.

**Adoption of New Accounting Standard**

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The adoption of the standard resulted in a cumulative change in accounting principle which decreased governmental activities by \$2,087.

**New Upcoming Accounting Pronouncements**

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The Statement amends Questions 4.3 and 4.5 of Implementation Guide 201-2. The requirements of this Statement related to the accounting and financial reporting for Internal Revenue Code Section 457 plans are effective for periods beginning after June 15, 2021.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**New Upcoming Accounting Pronouncements (Continued)**

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Statement is effective for fiscal years beginning after June 15, 2023.

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updates the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023.

**Note 2. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents balances (book balances) at June 30, 2022:

Demand Deposits	<u>\$ 890,861</u>
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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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Public Defender Office's deposits may not be recovered. The Public Defender Office does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$681,690 of the Public Defender Office's bank balance was exposed to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Capital Assets**

The Public Defender Office’s capital asset activity for the year ended June 30, 2022 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Furniture, Fixtures, and Equipment	\$ 59,877	\$ -	\$ (28,540)	\$ 31,337
Less: Accumulated Depreciation	(55,793)	(1,363)	28,540	(28,616)
<b>Net Capital Assets</b>	<b>\$ 4,084</b>	<b>\$ (1,363)</b>	<b>\$ -</b>	<b>\$ 2,721</b>

**Note 4. Concentrations**

The majority of revenue earned by the Public Defender Office comes from the Parish of St. Tammany and the City of Slidell, Louisiana, in the form of court costs.

**Note 5. Lease**

In May 2018, the Public Defender Office entered into a lease in Washington Parish for office space with monthly payments of \$950 which expires in April 2023. The Public Defender Office recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements

At the commencement of a lease, the Public Defender Office initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently the lease asset is amortized on a straight-line basis over its useful life. At June 30, 2022, the lease liability is \$10,244 and the Right-of-use asset is \$8,597. Amortization expense for the year ended June 30, 2022 was \$10,317. The lease liability was measured using the Public Defender Office’s incremental borrowing rate. The office lease includes a renewal provision when the lease ends on April 30, 2023, but the Public Defender Office does not intend to renew the lease.

**Note 6. Risk Management**

The Public Defender Office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defender Office has obtained general liability insurance as well as professional liability insurance for its staff.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Retirement Plan**

The Public Defender Office established an Employee Savings Plan and Trust (the Plan) on April 28, 2017 with an effective implementation date of July 1, 2017. The Plan was established in accordance with Internal Revenue Code (IRC) 457(b). Plans established under IRC 457(b) are eligible plans and are available to certain state and local governments. The plan assets are held in a Trust.

The 457(b) plan has many tax advantages, including one similar to a 401(k) plan which allows employees of the Public Defender Office who are participants to defer income taxation on retirement savings on both employee contributions and employer contributions, as well as earnings on these contributions, into future years.

The Plan has an accounting year of July 1<sup>st</sup> through June 30<sup>th</sup>. The Public Defender Office has agreed to match contributions made by the employee as follows:

- Matching contributions will be made for the fiscal year, in amounts equal to 100% up to 3% of compensation deferred by the participant.

The Public Defender Office's matching contribution expense for the year ended June 30, 2022 was \$56,917.

**Note 8. Governmental Fund Revenues and Expenditures**

For the year ended June 30, 2022, the major sources of governmental fund revenues were as follows:

**Governmental Fund Revenues**

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**State Government**

Grants \$ 1,989,434

**Local Government**

Grants 118,279  
Statutory Fines, Forfeitures, Fees, Court Costs, and Other 897,599  
Other 222,333

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**Total** 3,227,645

**Charges for Services** 48,363

**Investment Income** 453

**Miscellaneous Income** 16,109

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**Total Revenues** \$ 3,292,570

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**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA**

**Notes to Financial Statements**

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**Note 8. Governmental Fund Revenues and Expenditures (Continued)**

For the year ended June 30, 2022, the major sources of governmental fund expenditures were as follows:

**Governmental Fund Expenditures**

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**Personnel Services and Benefits**

Salaries	\$ 2,262,789
Insurance	287,525
Payroll Taxes	<u>167,507</u>

**Total** 2,717,821

**Professional Development**

Dues, Licenses, and Registrations	21,185
Travel	<u>871</u>

**Total** 22,056

**Charges for Services**

Contract Attorney Fees and Costs	343,787
Insurance	29,461
Telephone and Utilities	30,550
Other	17,604
Supplies	5,478
Lease - Office	15,408
Library and Research	-
Contract Services - Other	<u>19,801</u>

**Total** 462,089

**Capital Outlay** 12,629

**Total Expenditures** \$ 3,214,595

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual - Governmental Funds  
For the Year Ended June 30, 2022**

	Budget		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Court Costs, Fees, and Charges	\$ 820,000	\$ 820,000	\$ 897,599	\$ 77,599
Shared Revenues	315,000	315,000	222,333	(92,667)
Intake Fees	50,000	50,000	48,363	(1,637)
Grants and Awards				
State of Louisiana	1,785,568	1,785,568	1,989,434	203,866
Judicial District Court	128,000	128,000	118,279	(9,721)
Other	2,000	2,000	-	(2,000)
Interest Income	1,000	1,000	453	(547)
Miscellaneous Income	-	-	16,109	16,109
<b>Total Revenues</b>	<b>3,101,568</b>	<b>3,101,568</b>	<b>3,292,570</b>	<b>191,002</b>
<b>Expenditures</b>				
Salaries, Wages, and Fringes	2,811,950	2,811,950	2,717,821	94,129
Contract Attorney Fees and Costs	335,000	335,000	343,787	(8,787)
Telephone and Utilities	39,000	39,000	30,550	8,450
Insurance	31,500	31,500	29,461	2,039
Continuing Education	15,000	15,000	21,185	(6,185)
Accounting and Audit	12,000	12,000	19,801	(7,801)
Other Operating Expenses	43,950	43,950	17,604	26,346
Office Supplies and Expenses	8,000	8,000	15,408	(7,408)
Law Library	13,000	13,000	5,478	7,522
Travel	2,500	2,500	871	1,629
Rent	18,400	18,400	-	18,400
Capital Outlays	2,500	2,500	1,229	1,271
Debt Service - Principal	-	-	10,756	(10,756)
Debt Service - Interest	-	-	644	(644)
<b>Total Expenditures</b>	<b>3,332,800</b>	<b>3,332,800</b>	<b>3,214,595</b>	<b>118,205</b>
<b>Net Change in Fund Balance</b>	<b>\$ (231,232)</b>	<b>\$ (231,232)</b>	<b>77,975</b>	<b>\$ 309,207</b>
<b>Fund Balance, Beginning of Year</b>			<b>873,517</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 951,492</b>	

See independent auditor's report.

## **OTHER SUPPLEMENTARY INFORMATION**



**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
 COVINGTON, LOUISIANA  
 Schedule of Compensation, Benefits, and Other Payments  
 to Agency Head  
 For the Year Ended June 30, 2022**

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**Agency Head**  
 John W. Lindner II, District Public Defender

<b>Purpose</b>	<b>Amount</b>
Salary	\$114,987
Benefits - Insurance	\$8,702
Benefits - Retirement	\$0
Benefits - Dues	\$400
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA (LLA Entity# 1628)  
Justice System Funding Schedule - Receiving Entity  
As Required by Act 87 of the 2020 Regular Legislative Session  
General Fund - Cash Basis  
For the Six-Month Periods Ended December 31, 2021 and June 30, 2022**

	<b>First Six- Month Period Ended 12/31/2021</b>	<b>Second Six- Month Period Ended 6/30/2022</b>
<b>Receipts from:</b>		
St. Tammany Parish, Probation Fees (Louisiana Fee Collection)	\$ 41,951	\$ 54,675
Washington Parish, Probation Fees (Louisiana Fee Collection)	6,033	6,452
Washington Parish Sheriff, Probation Fees	488	1,230
St. Tammany Parish Sheriff, Bond Fees	73,994	93,754
Washington Parish Sheriff, Bond Fees	38,744	32,250
22nd JDC District Attorney, Bond Fees	16,695	-
Slidell City Court, Bond Fees	4,148	212
St. Tammany Parish Sheriff, Criminal Court Costs	259,567	299,292
Washington Parish Sheriff, Criminal Court Costs	8,870	15,688
Covington City Court, Criminal Court Costs	2,790	38,735
Mandeville City Court, Criminal Court Costs	39,418	39,380
Bogalusa City Court, Criminal Court Costs	17,347	14,888
Slidell City Court, Criminal Court Costs	72,964	67,664
<b>Subtotal Receipts</b>	<b>\$ 583,009</b>	<b>\$ 664,220</b>
<b>Ending Balance of Amounts Assessed but not Received</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report.

**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**

Independent Auditor's Report

Mr. John W. Linder II, District Public Defender  
and the Louisiana Public Defender Board  
Twenty-Second Judicial District  
Public Defender Office  
Covington, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office (the Public Defender Office), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Twenty-Second Judicial District Public Defender Office's basic financial statements, and have issued our report thereon dated November 28, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Twenty-Second Judicial District Public Defender Office'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 Public Defender Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Defender Office'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 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 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. 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 Public Defender Office'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 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 results of that testing, and not to provide an opinion on the effectiveness of the Public Defender Office'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 Public Defender Office's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
November 28, 2022

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022**

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**Part I - Summary of Auditor's Results**

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unmodified    |
| 2. Internal control over financial reporting and compliance and other matters: |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None Reported |
| c. Noncompliance material to the financial statements identified?              | No            |
| d. Other matters identified?   | No            |
| 3. Management letter comment provided?   | None          |

Federal Awards

Not applicable.

**Part II - Findings Related to the Financial Statements**

None.

**Part III - Compliance and Other Matters**

Compliance

None.

Other

None.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE  
COVINGTON, LOUISIANA  
Schedule of Prior Year Findings  
For the Year Ended June 30, 2022**

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**2021 - 001 Failure to Amend Budget**

This finding has been resolved.