

Fifth Judicial District Office of Public Defender
Parishes of West Carroll, Richland, and Franklin, Louisiana

Financial Statements
For the Year Ended June 30, 2021

Fifth Judicial District Office of Public Defender
 Financial Statements
 For the Year Ended June 30, 2021

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WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA/ Society of LCPA's

Independent Auditor's Report

Fifth Judicial District Office of Public Defender
Parishes of West Carroll, Richland and Franklin, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Fifth Judicial District Office of Public Defender ("Office"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Office'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 each major fund of the Office, as of June 30, 2021, 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.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 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.

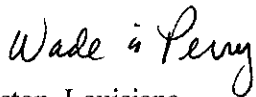
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The schedule of of compensation, benefits and other payments to agency head is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 management's discussion and analysis and budgetary comparison information is 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 a report dated October 20, 2021, on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Ruston, Louisiana
October 20, 2021

Fifth Judicial District Office of Public Defender
Management Discussion and Analysis
June 30, 2021

The management of the Fifth Judicial District Office of Public Defender (Office) offers readers of the Office's financial statements this narrative overview and analysis of the financial activities of the Office for the year ended June 30, 2020. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Office's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Office's finances. It is also intended to provide readers with an analysis of the Office's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Office. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Office's financial activity, identify changes in the Office's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Overview of the Financial Statements

This section is intended to serve as an introduction to the Office's financial statements. The Office's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Office's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the Office's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Office is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected fines).

Government-wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent twelve months, the Office's assets exceeded its liabilities by \$331,857 (net position); this represents a decrease of \$48,757 from the last fiscal year. Of this total net asset amount, \$173,597 is unrestricted net position. The Fund's net position is comprised entirely from governmental activities.

The following is a condensed statement of the Fund's governmental-type activities net position as of June 30, 2021:

Fifth Judicial District Office of Public Defender
Management Discussion and Analysis
June 30, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Current & Other Assets	\$208,359	\$425,168
Capital Assets (net)	158,260	600
Total Assets	<u>\$366,619</u>	<u>\$425,768</u>
Liabilities		
Other Liabilities	\$34,762	\$45,153
Long-term Liabilities	0	0
Total Liabilities	<u>34,762</u>	<u>45,153</u>
Net Position		
Invested in capital assets, net	158,260	600
Unrestricted	<u>173,597</u>	<u>380,015</u>
Total Net Position	<u>\$331,857</u>	<u>\$380,615</u>

The Office has unrestricted net position of \$173,597, which may be used to meet the government's on-going obligations to citizens and creditors.

The Office had no long-term debt.

The following is a summary of the governmental-type activities from the statement of activities:

	<u>2021</u>	<u>2020</u>
Revenue		
Program Revenue	\$577,783	\$812,798
General Revenue & Transfers	6	13
Total Revenue	<u>\$577,789</u>	<u>\$812,811</u>
Expenses		
Judicial	\$448,302	\$444,860
General & Administrative	178,244	174,565
Total Expenses	<u>626,546</u>	<u>619,425</u>
Increase (Decrease) in Net Position	(48,757)	193,386
Net Position , beginning	<u>380,615</u>	<u>187,229</u>
Net Position , ending	<u>\$331,858</u>	<u>\$380,615</u>

Total revenues decreased \$235,022 from the prior year. Expenses increased \$7,121 from the prior year.

Governmental Activities

The governmental activities of the Office include Judicial activities. Revenues associated with support for indigent defenders such as fees and grants are sufficient for the funding of these activities.

Business-type Activities

The fund has no business-type activities.

Fifth Judicial District Office of Public Defender
Management Discussion and Analysis
June 30, 2021

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the Office's most significant funds - not the Office as a whole. Funds are accounting devices that the Office uses to keep track of specific sources of funding and spending for a particular purpose.

The Office adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures.

Financial Analysis of the Fund's Governmental Funds

The Office's governmental fund (General Fund) reported an ending fund balance of \$173,597, which is a decrease of \$206,418. The entire ending fund balance is unreserved.

General Fund Budgetary Highlights

The original General Fund budget was not amended during the course of the year.

The difference between the General Fund final budgeted revenues and actual revenues for the year ended June 30, 2021, totaled \$75,401, a positive variance. The final actual expenditures were more than the final actual budgeted expenditures for the year ended June 30, 2021, by \$257,819, a negative variance.

Capital Asset and Debt Administration

The Office has no debts related to capital assets or debt in the current year. Two buildings were purchased near year end to provide relief from clients having to travel out of parish to meet attorneys or place applications.

Current Financial Factors

The Office is working diligently to gain more revenue while decreasing expenses.

Requests for Information

This financial report is designed to provide a general overview of the Fund's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Fifth Judicial District Office of Public Defender
PO Box 717
Rayville, LA 71269

Basic Financial Statements

Fifth Judicial District Office of Public Defender
Statement of Net Position
As of June 30, 2021

ASSETS

Cash and equivalents	\$141,471
Receivables	66,888
Capital assets (net)	<u>158,260</u>
Total Assets	<u>\$366,619</u>

LIABILITIES

Accounts payable	\$34,762
Prepaid Revenue	<u>0</u>
Total Liabilities	34,762

NET POSITION

Net investment in capital assets	158,260
Unrestricted	<u>173,597</u>
Total Net Position	<u>\$331,857</u>

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Statement of Activities
For the Year Ended June 30, 2021

EXPENSES	
Personal services	\$178,244
Operating expenses	47,228
Travel and training	345
Contract services - attorney	400,300
Depreciation	429
Total Expenses	<u>626,546</u>
PROGRAM REVENUES	
Fees, fines and charges for services	330,938
State government - grants	<u>246,845</u>
Net Program Expense	(48,763)
GENERAL REVENUES	
Investment earnings	<u>6</u>
Total General Revenues	<u>6</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(48,757)
Net Position - Beginning	<u>380,615</u>
Net Position - Ending	<u><u>\$331,857</u></u>

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
 Balance Sheet, Governmental Fund
 June 30, 2021

	ASSETS	<u>General Fund</u>
Cash and cash investments		\$141,471
Receivables		66,888
Other assets		<u>0</u>
TOTAL ASSETS		<u>\$208,359</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts, salaries, and other payables		<u>\$34,762</u>
Total liabilities		<u>34,762</u>
Fund balance - unassigned		<u>173,597</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>\$208,359</u>

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
 Reconciliation of The Governmental Funds Balance Sheet
 to The Government-Wide Financial Statement of Net Position
 June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds (Statement C)	\$173,597
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	170,519	
Less accumulated depreciation	<u>(12,259)</u>	<u>158,260</u>
Total Net Position of Governmental Activities (Statement A)		<u><u>\$331,857</u></u>

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	<u>General Fund</u>
REVENUES	
Fees, fines and charges for services	\$330,938
State government - grants	246,845
Investment earnings	6
Total Revenues	<u>577,789</u>
EXPENDITURES	
Personal services	178,244
Operating expenses	47,228
Travel and training	345
Contract services - attorney	400,300
Capital outlay	<u>158,090</u>
Total Expenditures	<u>784,207</u>
Excess (Deficiency) of Revenues over Expenditures	(206,418)
Fund Balances – beginning	380,015
Prior period adjustment	0
Fund Balances – ending	<u><u>\$173,597</u></u>

The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
 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, 2021

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	(\$206,418)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$158,090) exceeded depreciation (\$429) in the current period.

<u>157,661</u>

Change in Net Position of Governmental Activities, Statement B	<u><u>(\$48,757)</u></u>
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The accompanying notes are an integral part of this statement.

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

INTRODUCTION

The Fifth Judicial District Office of Public Defender (The Office), established in compliance with Louisiana Revised Statutes 15:144-149, provides council to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district level. The judicial district encompasses the parishes of West Carroll, Richland and Franklin. House Bill No. 436, adopted in the 2007 Regular Legislative Session created Louisiana Public Defender Funds within each judicial district, transferring all obligations, duties, powers, and responsibilities from the previous boards. Revenues to finance the Office's operations are provided primarily from court costs on fines imposed by the various courts within the district. The Office has three employees, and has contracts with its other attorneys to provide legal services to indigents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Fifth Judicial District Office of Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The office of public defender is part of the operations of the Louisiana Public Defender Board. The accompanying financial statements present information only on the funds maintained by the Fifth Judicial District Office of Public Defender.

C. FUND ACCOUNTING

The Fifth Judicial District Office of Public Defender 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 relating to certain board functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

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

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General 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 balances report 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 Office operations.

The amounts reflected in the General Fund 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. 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, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court costs on fines and forfeitures are recorded in the year they are collected by the appropriate courts. Fees from indigents are recorded when received. Interest income is recorded in the year in which it is earned.

Expenditures

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Office as a whole. These statements include all the financial activities of the Office. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities are derived directly from Office users as a fee for services; program revenues reduce the cost of the function to be financed from the Office's general revenues.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Office may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Office's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

GASB Statement No. 31 requires the Office to report investments at fair value in the balance sheet, except as follows:

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors.
2. The Office may report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

G. COMPENSATED ABSENCES

The Office does not have a formal leave policy.

H. 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

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

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.

I. FUND EQUITY

GASB 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Nonspendable - amounts that are not in spendable form (such as prepaids) or are required to be maintained intact.

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 laws or regulations of other governments.

Committed - amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned - amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned - all other spendable amounts.

When both restricted and unrestricted resources are available for use, it is the Office's policy to use externally restricted resources first, then unrestricted resources - committed, assigned and unassigned - in order as needed.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Office maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

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 are depreciated using the straight-line method over the following useful lives:

Equipment	5-10 years
Building	40 years

K. 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.

2. CASH AND CASH EQUIVALENTS

At June 30, 2021, the Office has cash and cash equivalents (book balances) totaling \$141,471 as follows:

Interest-bearing demand deposits	\$141,471
Time deposits - investments	<u>0</u>
Total	<u>\$141,471</u>

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

At June 30, 2021, the Office had \$305,229 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$0 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3). The remaining balance of \$55,229 is unsecured but as of July 1, 2021 the bank balances were less than \$250,000.

3. RECEIVABLES

The receivables of \$66,888 at June 30, 2021, are as follows:

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

<u>Class of Receivable</u>	
Court costs on fines	\$21,888
Grant	<u>45,000</u>
Total	<u><u>\$66,888</u></u>

4. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$34,762 at June 30, 2021, consisted of accounts payable of \$33,458 and payroll liabilities of \$1,304.

5. CAPITAL ASSETS

Capital assets and depreciation activity for the year ended June 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Machinery and equipment	\$12,430			\$12,430
Buildings		\$158,090		158,090
Accumulated depreciation	<u>11,830</u>	<u>430</u>		<u>12,260</u>
Total capital assets being depreciated, net	<u><u>\$600</u></u>	<u><u>\$157,660</u></u>	<u><u>\$0</u></u>	<u><u>\$158,260</u></u>

6. RISK MANAGEMENT

The Fifth Judicial District Office of Public Defender may have various suits which are brought against the practicing attorneys who are retained to plead the indigent cases before the Fifth Judicial District Court. Insurance which is necessary for the protection of the individual attorneys is purchased and paid by each attorney. Whereas no district funds are being expended for professional liability coverage, the District Defender maintains at his personal expense a 1 million-dollar policy for protection of the District and Board and each contract attorney is required to by the terms of their contract to maintain professional liability coverage.

7. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

REVENUES

State government - grants	\$330,938
Local government - statutory fines, forfeitures, fees, and court costs	246,845
Investment earnings	<u>6</u>
Total Revenues	<u><u>577,789</u></u>

Fifth Judicial District Office of Public Defender
Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

EXPENDITURES

Personnel services & benefits:	
Salaries	165,192
Payroll taxes	13,052
Operating costs:	
Contract services - attorney	400,300
Travel	345
Insurance	3,096
Lease - office	12,000
Dues, licenses, registrations	4,435
Utilities	9,741
Library and research	4,173
Other	13,783
Capital outlay	<u>158,090</u>
Total Expenditures	<u>784,207</u>

8. MANAGEMENT REVIEW

Subsequent events have been evaluated through October 20, 2021. This date represents the date the financial statements were available to be issued.

The Covid-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Office and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTAL INFORMATION

Fifth Judicial District Office of Public Defender
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State government				
Appropriations - general	\$230,765	\$230,765	\$330,938	\$100,173
Local government				
Court fees	238,176	238,176	183,787	(54,389)
Bond fees and forfeitures	33,447	33,447	63,058	29,611
Investment earnings			6	6
Total Revenues	<u>502,388</u>	<u>502,388</u>	<u>577,789</u>	<u>75,401</u>
EXPENDITURES				
Personnel services	199,656	199,656	178,244	21,412
Travel & training			345	(345)
Operating expenses	33,800	33,800	47,228	(13,428)
Contract services - attorney	292,932	292,932	400,300	(107,368)
Capital outlay			158,090	(158,090)
Total Expenditures	<u>526,388</u>	<u>526,388</u>	<u>784,207</u>	<u>(257,819)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(24,000)	(24,000)	(206,418)	(182,418)
Fund Balance at Beginning of Year	<u>24,000</u>	<u>24,000</u>	<u>380,015</u>	<u>356,015</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$173,597</u>	<u>\$173,597</u>

- (1) method of budgetary accounting - GAAP, modified accrual basis
(2) explanation of variances - did not amend for capital outlay

The accompanying notes are an integral part of the schedule.

Fifth Judicial District Office of Public Defender
 Justice System Funding Schedule - Receiving Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 YE 6/30/21

Schedule 2

Cash Basis Presentation	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 6/30/21
<i>Richland Parish, Traffic</i>	68,143	57,874
<i>Richland Parish, Criminal Court</i>	5,948	6,701
<i>Richland Parish, Bond Fees</i>	7,167	12,359
<i>Franklin Parish, Traffic</i>	5,702	5,190
<i>Franklin Parish, Criminal Court</i>	5,089	6,814
<i>Franklin Parish, Bond Fees</i>	8,917	17,210
<i>West Carroll Parish, Traffic</i>	5,283	6,500
<i>West Carroll Parish, Criminal Court</i>	3,021	3,277
<i>West Carroll Parish, Bond Fees</i>	4,355	6,416
<i>Assessments</i>	2,084	2,106
<i>Winnsboro City Court</i>	7,622	8,383
<i>Interest</i>	13	-
<i>Grants / Other Income</i>	212,278	285,938
Subtotal Receipts	335,621	418,768
 <i>Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)</i>	 -	 -

Fifth Judicial District Office of Public Defender
Schedule of Compensation, Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2021

Schedule 3

Agency Head Name: John Ellis, Chief

Purpose	
Salary	\$90,000
Benefits - medicare	1,305
Benefits - social security	5,580
Reimbursements	709
Continuing education	1,575
Membership dues	<u>435</u>
Total	<u>\$99,604</u>

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Report on Compliance and Other Matters and on Internal Control
over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Fifth Judicial District Office of Public Defender
Rayville, 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 Fifth Judicial District Office of Public Defender ("Office") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated October 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the 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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

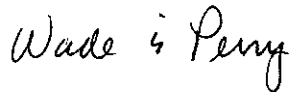
As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-01.

District's Response to Findings

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



Ruston, Louisiana
October 20, 2021

Fifth Judicial District Office of Public Defender
Schedule of Findings and Responses
For the Year Ended June 30, 2021

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Fifth Judicial District Office of the Public Defender.
2. One instance of noncompliance material to the financial statements of the Fifth Judicial District Office of the Public Defender was disclosed during the audit.
3. No significant deficiency relating to the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control.

B. Financial Statements Findings

2021-01. Failing to comply with local budget act pursuant to R.S. 39:1310

Condition: For the year ended June 30, 2021, the General fund actual expenditures and other uses exceeded budgeted expenditures and other uses by \$257,819, or 49%.

Criteria: According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Cause: Management underbudgeted contract services - attorney and capital outlay.

Effect: Noncompliance with local budget law.

Recommendation: Management should monitor budget and actual figures and amend as necessary.

Management's response: Management agrees with the recommendations and will monitor budget and actual figures and amend as necessary.

Fifth Judicial District Office of Public Defender
Summary of Prior Year Findings
For the Year Ended June 30, 2021

2020-01. None