

**19<sup>TH</sup> JUDICIAL DISTRICT  
PUBLIC DEFENDERS' OFFICE**

**FINANCIAL REPORT**

**June 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund, of the 19<sup>th</sup> Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***KOLDER, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Baton Rouge, Louisiana  
November 23, 2020

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Statement of Net Position  
June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 511,983
Due from other governmental agencies	203,899
Prepaid expenses	<u>49,968</u>
Total current assets	765,850
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>45,349</u>
Total assets	<u>811,199</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,983
Accrued liabilities	<u>1,092</u>
Total current liabilities	<u>26,075</u>
NET POSITION	
Net investment in capital assets	45,349
Unrestricted	<u>739,775</u>
Total net position	<u>\$ 785,124</u>

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Statement of Activities  
For the Year Ended June 30, 2020

Activities	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Change in Net Position
		Charges for Services and Fines	Operating Grants and Contributions	
Governmental activities:				
General government	<u>\$ 4,892,259</u>	<u>\$ 1,724,562</u>	<u>\$ 3,351,516</u>	<u>\$ 183,819</u>
	General revenues:			
	Interest income			36,456
	Miscellaneous			<u>7,202</u>
				<u>43,658</u>
	Change in net position			227,477
	Net position, beginning			<u>557,647</u>
	Net position, ending			<u>\$ 785,124</u>

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



**FUND FINANCIAL STATEMENTS**

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
 Parish of East Baton Rouge  
 Governmental Fund

Balance Sheet  
 June 30, 2020

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$ 511,983
Due from other governmental agencies	203,899
Prepaid expenses	<u>49,968</u>
 Total assets	 <u>\$ 765,850</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 24,983
Accrued liabilities	<u>1,092</u>
Total liabilities	<u>26,075</u>
Fund balance:	
Nonspendable - prepaid items	49,968
Unassigned	<u>689,807</u>
Total fund balance	<u>739,775</u>
 Total liabilities and fund balance	 <u>\$ 765,850</u>

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2020

Total fund balance for the governmental funds at June 30, 2020			\$ 739,775
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds. Those assets consist of:			
Equipment, net of \$55,891 accumulated depreciation		\$ 44,933	
Furniture and fixtures, net of \$39,756 accumulated depreciation		<u>417</u>	<u>45,349</u>
Net position at June 30, 2020			<u>\$ 785,124</u>

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
 Parish of East Baton Rouge  
 Governmental Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 For the Year Ended June 30, 2020

	<u>General Fund</u>
Revenues:	
Intergovernmental revenues -	
District assistance fund - Louisiana IDAB	\$2,752,417
Court cost and bond forfeitures	1,589,658
Rental taxes	48,040
Local grants	599,099
Charges for service -	
Partially indigent and application fees	86,864
Interest income	36,456
Miscellaneous	<u>7,202</u>
Total revenues	<u>5,119,736</u>
 Expenditures:	
Current -	
Indigent defense:	
Operations	4,881,666
Capital outlay	<u>34,262</u>
Total expenditures	<u>4,915,928</u>
 Excess of revenues over expenditures	 203,808
 Fund balance, beginning	 <u>535,967</u>
 Fund balance, ending	 <u>\$ 739,775</u>

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2020

Net change in fund balance for the year ended June 30, 2020 per statement of revenues, expenditures and changes in fund balance			\$ 203,808
The change in net position reported for governmental activities in the statement of activities is 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.			
Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balance		\$ 34,262	
Depreciation expense for the year ended June 30, 2020		<u>(10,593)</u>	<u>23,669</u>
Total changes in net position for the year ended June 30, 2020 per statement of activities			<u>\$ 227,477</u>

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements

INTRODUCTION

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

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

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (continued)

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

Fund Financial Statements (FFS)

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

Governmental Fund –

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

C. Measurement Focus/Basis of Accounting

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

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (continued)

Revenues

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

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

Expenditures

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

D. Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the Budget Act of the State of Louisiana, the District prepares an operating budget for the general fund at least fifteen days prior to the commencement of the budgetary year-end. The operating budgets include proposed expenditures and the means of financing them for the upcoming year.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the District. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

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



19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (Continued)

F. Capital Assets

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

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

Assets Class	Estimated Useful Lives
Equipment	5 - 7 years
Furniture and fixtures	10 years

G. Compensated Absences

Employees of the District can earn from two to four weeks of vacation leave each year, depending on their position and length of service. Vacation leave must be taken in the year it is earned. Employees can earn one day of sick leave per month and can carry over unused leave to the next year. Personal leave is not compensable if an employee leaves the service of the District. At June 30, 2020, the District has no leave benefits required to be reported in accordance with generally accepted accounting principles.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred inflows or outflows as of June 30, 2020.

I. Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (Continued)

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

J. Estimates

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

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the District had deposits (book balances) totaling \$511,983 as follows:

Noninterest-bearing deposits	\$ 172,242
Interest-bearing deposits	<u>339,741</u>
Total	<u>\$ 511,983</u>

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

Deposit balances (bank balances) at June 30, 2020 are secured as follows:

Bank balances	<u>\$620,988</u>
Federal deposit insurance	\$536,355
Pledged securities	<u>84,633</u>
Total	<u>\$620,988</u>

Deposits in the amount of \$84,633 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

(3) Due From Other Governmental Agencies

At June 30, 2020, the amounts due from other governmental agencies consist of the following:

Bond forfeitures & fees	\$ 108,910
Court fees	45,903
Sheriff settlement	34,636
Other	<u>14,450</u>
	<u>\$ 203,899</u>

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2020</u>
Capital assets:				
Equipment	\$ 66,561	\$ 34,262	\$ -	\$ 100,823
Furniture and fixtures	40,173	-	-	40,173
Totals	<u>106,734</u>	<u>34,262</u>	<u>-</u>	<u>140,996</u>
Less: accumulated depreciation				
Equipment	45,537	10,354	-	55,891
Furniture and fixtures	39,517	239	-	39,756
Total accumulated depreciation	<u>85,054</u>	<u>10,593</u>	<u>-</u>	<u>95,647</u>
Capital assets, net	<u>\$ 21,680</u>	<u>\$ 23,669</u>	<u>\$ -</u>	<u>\$ 45,349</u>

Depreciation expense in the amount of \$10,593 was charged to general government.

(5) Risk Management

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

(6) Deferred Compensation Plan

Certain employees of the District participate in the 19th Judicial District Public Defenders' Office Tax Sheltered Annuity Plan (Plan) adopted under the provisions of Internal Revenue Code Section 403(b), which is invested in American Funds, and administered by A.G. Edwards. The District does not have managerial or financial responsibility for the plan assets. Each participant is fully vested at the time of contribution, and the District contributes 7.5% of each participant's salary. At June 30, 2020, the District contributed \$232,584 to the Plan.

(7) Schedule of Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Michael Mitchell, District Defender, for the year ended June 30, 2020 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 110,888
Benefits - Insurance	11,216
Benefits - Retirement	8,316
Conference travel	904
Per Diem	63

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (Continued)

(8) Governmental Office Revenues and Expenditures

For the year ended June 30, 2020, the major sources of governmental fund revenues and expenditures were as follows:

Revenues:

State Government -	
Appropriations - general	\$ 2,752,417
Local Government -	
Statutory fines, forfeitures, fees, court costs, and other	1,637,698
Grants - City-Parish of East Baton Rouge	599,099
Charges for Services	86,864
Investment Earnings	36,456
Miscellaneous	<u>7,202</u>
Total Revenues	<u>\$ 5,119,736</u>

Expenditures:

Personnel Services and Benefits -	
Salaries	\$ 3,391,993
Retirement contributions	232,584
Insurance	360,842
Payroll taxes	45,602
Other	<u>2,698</u>
Total	<u>4,033,719</u>
Professional Development -	
Dues, licenses, and registrations	<u>42,290</u>
Operating Costs -	
Library and research	40,676
Contract services - attorney/legal	513,300
Contract services - other	72,023
Lease - autos and other	15,309
Travel - other	15,005
Insurance	32,362
Supplies	73,902
Repairs and maintenance	655
Utilities and telephone	33,529
Other	<u>8,896</u>
Total	<u>805,657</u>
Capital Outlay	<u>34,262</u>
Total Expenditures	<u>\$ 4,915,928</u>

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Notes to the Basic Financial Statements (Continued)

(9) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Organization's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
 Parish of East Baton Rouge  
 General Fund

Budgetary Comparison Schedule  
 For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
Revenues:				
Intergovernmental revenues -				
District assistance fund - Louisiana IDAB	\$ 2,669,234	\$ 2,669,234	\$ 2,752,417	\$ 83,183
Court cost and bond forfeitures	1,750,878	1,750,878	1,589,658	(161,220)
Rental taxes	54,000	54,000	48,040	(5,960)
Local grants	359,700	359,700	599,099	239,399
Charges for service -				
Partially indigent and application fees	128,861	128,861	86,864	(41,997)
Other Grants	40,000	40,000	-	(40,000)
Interest income	34	34	36,456	36,422
Miscellaneous	8,578	8,578	7,202	(1,376)
Total revenues	<u>5,011,285</u>	<u>5,011,285</u>	<u>5,119,736</u>	<u>108,451</u>
Expenditures:				
Current -				
Indigent defense:				
Operations	4,962,985	4,962,985	4,881,666	81,319
Capital outlay -	48,300	48,300	34,262	14,038
Total expenditures	<u>5,011,285</u>	<u>5,011,285</u>	<u>4,915,928</u>	<u>95,357</u>
Excess of revenues over expenditures	-	-	203,808	203,808
Fund balance, beginning	<u>535,967</u>	<u>535,967</u>	<u>535,967</u>	-
Fund balance, ending	<u>\$ 535,967</u>	<u>\$ 535,967</u>	<u>\$ 739,775</u>	<u>\$ 203,808</u>



**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the 19<sup>th</sup> Judicial District Public Defenders' Office (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2020.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2020-001 to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2020-002.

## **The District's Response to Findings**

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

## **Purpose of this Report**

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

***KOLDER, SLAVEN & COMPANY, LLC***  
Certified Public Accountants

Baton Rouge, Louisiana  
November 23, 2020

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Summary Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Finding -

**2020-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: Unknown

CRITERIA: The District should have a control policy according to which no person should be given responsibility for more than one related function.

CONDITION: The District did not have adequate segregation of functions within the accounting system.

CAUSE: Due to the size of the District, there are a small number of available employees.

EFFECT: The District has employees that are performing more than one related function.

RECOMMENDATION: The District should establish and monitor mitigating controls over functions that are not completely segregated.

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

B. Compliance Finding -

**2020-002 Noncompliance with the Bid Law**

Fiscal year finding initially occurred: 2020

CRITERIA: In accordance with LSA-R.S. 38:2212.1, all purchases of any materials or supplies exceeding \$30,000 to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised.

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

CAUSE: The District did not appropriately apply the State's Public Bid Law.

EFFECT: Failure to advertise the purchases of materials or supplies in excess of \$30,000 with public funds is in violation of the State's public bid law statutes.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will ensure procedures are in place to comply with thresholds established by LSA RS 38:2212.1 when purchasing materials and supplies with public funds.

19<sup>TH</sup> JUDICIAL DISTRICT PUBLIC DEFENDERS' OFFICE  
Parish of East Baton Rouge

Summary Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan

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

Internal Control Findings –

**2019-001**

CONDITION: The District did not have adequate segregation of functions within the accounting system.

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

CURRENT STATUS: Unresolved – See Internal Control Finding 2020-001.

**2019-002**

CONDITION: The District did not have adequate controls to ensure insurance liability accounts on the general ledger are being reconciled to appropriate supporting documentation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The District is reconciling the payroll withholdings to supporting documentation to ensure the proper amounts are deducted through payroll. The District will review their policies and procedures and incorporate a monthly reconciliation of these liability accounts to supporting documentation.

CURRENT STATUS: Resolved.