

Fourth Judicial District Public Defender Fund
Parishes of Morehouse and Ouachita, Louisiana

Financial Statements
For the Fiscal Year Ended June 30, 2021



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For the Fiscal Year Ended June 30, 2021**

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INDEPENDENT AUDITORS' REPORT

Fourth Judicial District Public Defender Fund
Parishes of Morehouse and Ouachita, Louisiana

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

Auditors' 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. 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 Fourth Judicial District Public Defender Fund, as of November 22, 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 on pages 3-6 and 21-22 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 me with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head on page 23, the accompanying Act 87 Justice System Funding Schedule – Receiving Entity on page 24, and the accompanying Act 87 Justice System Funding Schedule – Disbursing Entity on page 25, are presented for purposes 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standard's

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of the Fourth Judicial District Public Defender Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Fourth Judicial District Public Defender Fund's internal control over financial reporting and compliance.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 22, 2021

Fourth Judicial District Public Defender Fund Management's Discussion And Analysis For The Fiscal Year Ended June 30, 2021

The management of the Fourth Judicial District Public Defender Fund offers readers of its financial statements this narrative overview and analysis of the financial activities of the Fund for the fiscal year ended June 30, 2021. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Fund's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Fund's finances. It is also intended to provide readers with an analysis of the Fund's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Fund. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Fund's financial activity, identify changes in the Fund'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 discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements. The Fund'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 themselves.

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 Assets and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Fund'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 Fund'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 Fund is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets 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 assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent period, the Fund's assets exceeded its liabilities by \$1,201,263 (net position); this represents an increase of \$602,603 from the last fiscal year. Of this total net position amount, \$1,096,218 is unrestricted net position. The Fund's net assets are comprised of \$1,201,263 from governmental activities.

**Fourth Judicial District Public Defender Fund
Management's Discussion And Analysis
For The Fiscal Year Ended June 30, 2021**

The following is a condensed statement of the Fourth Judicial District Public Defender Fund's net assets as of June 30, 2021:

	Governmental-Type Activities		Total	
	2021	2020	2021	2020
Assets				
Cash & Equivalents	\$ 975,919	\$ 423,367	\$ 975,919	\$ 423,367
Receivables	133,970	82,013	133,970	82,013
Capital Assets (net)	105,045	96,562	105,045	96,562
Total Assets	<u>1,214,934</u>	<u>601,942</u>	<u>1,214,934</u>	<u>601,942</u>
Liabilities				
Accounts Payable	\$ 2,829	\$ 3,282	\$ 2,829	\$ 3,282
Long-term Liabilities	10,842	-	10,842	-
Total Liabilities	<u>13,671</u>	<u>3,282</u>	<u>13,671</u>	<u>3,282</u>
Net Position				
Invested in capital assets, net	105,045	96,562	105,045	96,562
Restricted	-	-	-	-
Unrestricted	1,096,218	502,098	1,096,218	502,098
Total Net Position	<u>\$ 1,201,263</u>	<u>\$ 598,660</u>	<u>\$ 1,201,263</u>	<u>\$ 598,660</u>

The Fund has an unrestricted net position of \$1,096,218, which may be used to meet the government's on-going obligation to citizens and creditors. Approximately 8.74% of the Fund's net position reflects its investment in capital assets (eg. equipment, building, etc.). These assets are not available for future spending.

The Fund has long-term liabilities of \$10,842, related to compensated absences.

**Fourth Judicial District Public Defender Fund
Management's Discussion And Analysis
For The Fiscal Year Ended June 30, 2021**

The following is a summary of the statement of activities:

	Governmental-Type Activities		Total	
	2021	2020	2021	2020
Revenue				
Court Costs on Fines and Forfeitures	\$ 1,054,007	\$ 946,551	1,054,007	\$ 946,551
Intergovernmental Revenues	1,560,586	1,176,185	1,560,586	1,176,185
Fees, Charges, and Commissions	43,831	34,487	43,831	34,487
Total Revenue	<u>2,658,424</u>	<u>2,157,223</u>	<u>2,658,424</u>	<u>2,157,223</u>
Expenses				
Personnel Services	607,372	576,288	607,372	576,288
Professional Development	3,994	5,361	3,994	5,361
Operating Services	1,437,884	1,467,570	1,437,884	1,467,570
Depreciation	6,571	6,122	6,571	6,122
Total Expenses	<u>2,055,821</u>	<u>2,055,341</u>	<u>2,055,821</u>	<u>2,055,341</u>
Increase (Decrease) in Net Assets	602,603	101,882	602,603	101,882
Net Assets, Beginning	<u>598,660</u>	<u>496,778</u>	<u>598,660</u>	<u>496,778</u>
Net Assets, Ending	<u>\$ 1,201,263</u>	<u>\$ 598,660</u>	<u>\$ 1,201,263</u>	<u>\$ 598,660</u>

Total revenues increased \$501,201 or 23.23% from the prior period.

Expenses increased \$480 or 0.02% from the prior period.

Governmental Activities

The governmental activities of the Fund include judicial activities. Revenues associated with support for public defenders such as fees and grants are sufficient for the funding of these activities.

Business-type Activities

The Fund does not have any business-type activities.

Fund Financial Statements – Governmental Funds

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

**Fourth Judicial District Public Defender Fund
Management's Discussion And Analysis
For The Fiscal Year Ended June 30, 2021**

The Fund 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 (if applicable) figures.

Financial Analysis of the Fund's Governmental Fund

The Fourth Judicial District Public Defender Fund's governmental fund (General Fund) reported an ending fund balance of \$1,107,060, which is an increase of \$604,962. The entire ending fund balance of \$1,107,060 is unreserved.

General Fund Budgetary Highlights

The Fund did not amend the original General Fund budget 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 \$368,078, a positive variance of 16.07%. The actual expenditures were more than the final budgeted expenditures for the year ended June 30, 2021, by \$22,297, a negative variance of 1.10%.

Capital Asset and Debt Administration

The Fund's investment in capital assets for its governmental activities as of June 30, 2021, amounted to \$105,045 (net of accumulated depreciation). This investment includes building, furniture, and equipment. The fund added capital assets of \$15,054 during the fiscal year ended June 30, 2021.

Current Financial Factors

The Fund is working diligently to gain more revenue while decreasing expenses. The Fund adopted its operating budget for the fiscal year ending June 30, 2022, with estimated revenues of \$2,100,000, which is an increase from the previous fiscal year of \$345,000 or 19.66% and estimated expenditures of \$2,100,000, which is an increase of \$345,000 or 19.66%.

Request for Information

This financial report is designed to provide a general overview of the Fourth Judicial District Public Defender 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:

Michael A. Courteau, District Public Defender
Fourth Judicial District Public Defender Fund
714 St. John Street
Monroe, LA 71210-3327

Basic Financial Statements

Fourth Judicial District Public Defender Fund
Statement of Position
June 30, 2021

	Governmental Activities
Assets	
Cash and Equivalents	\$ 975,919
Receivables	133,970
Capital Assets, net of accumulated depreciation	105,045
Total Assets	\$ 1,214,934
 Liabilities	
Accounts Payable	\$ 2,829
Non-Current Liabilities	
Due Within One Year	
Compensated Absences	10,842
Total Liabilities	13,671
 Net Position	
Invested in Capital Assets, net of Related Debt	105,045
Unassigned	1,096,218
Total Net Position	\$ 1,201,263

The accompanying notes are an integral part of this financial statement.

Fourth Judicial District Public Defender Fund
Statement of Activities
For The Fiscal Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total	
Primary Government:							
Governmental Activities:							
Judiciary	\$ 2,055,821	\$ 43,831	\$ 12,361	\$ 1,548,225	\$ (451,404)	\$ -	\$ (451,404)
Total Governmental Activities	<u>\$ 2,055,821</u>	<u>\$ 43,831</u>	<u>\$ 12,361</u>	<u>\$ 1,548,225</u>	<u>\$ (451,404)</u>	<u>\$ -</u>	<u>\$ (451,404)</u>
Business-Type Activities:							
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 2,055,821</u>	<u>\$ 43,831</u>	<u>\$ 12,361</u>	<u>\$ 1,548,225</u>	<u>\$ (451,404)</u>	<u>\$ -</u>	<u>\$ (451,404)</u>

General Revenues:

Court Costs on Fines	1,054,007	-	1,054,007
Total General Revenues, Special Items, and Transfers	<u>1,054,007</u>	<u>-</u>	<u>1,054,007</u>
Changes in Net Position	602,603	-	602,603
Net Position - Beginning	598,660	-	598,660
Net Position - Ending	<u>\$ 1,201,263</u>	<u>\$ -</u>	<u>\$ 1,201,263</u>

The accompanying notes are an integral part of this financial statement.

**Fourth Judicial District Public Defender Fund
Balance Sheet - Governmental Fund
June 30, 2021**

	General Fund
Assets	
Cash and equivalents	\$ 975,919
Receivables	133,970
Total Assets	\$ 1,109,889
 Liabilities And Fund Equity	
Liabilities	
Accounts Payable	\$ 2,829
Total Liabilities	2,829
 Fund Equity	
Fund Balance - Unassigned	\$ 1,107,060
Total Fund Equity	1,107,060
 Total Liabilities And Fund Equity	 \$ 1,109,889

Reconciliation to Statement of Net Position:

Amounts reported for Governmental Activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.

Total Fund Balances - Governmental Funds	1,107,060
Cost of Capital Assets	293,576
Less: Accumulated Depreciation	(188,531)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(10,842)
Net Position of Governmental Activities	\$ 1,201,263

The accompanying notes are an integral part of this financial statement.

Fourth Judicial District Public Defender Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For The Fiscal Year Ended June 30, 2021

Revenues	
State Government	
General Appropriations	\$ 1,548,225
Special Appropriations - LCLE COVID Equipment Grant	12,361
Local Government	
Statutory Fines, Forfeitures, Fees, Court Costs, etc.	1,097,838
Total Revenues	<u>2,658,424</u>
Expenditures - Judicial	
Personnel Services and Benefits	
Salaries	563,139
Payroll Taxes	44,233
Total	<u>607,372</u>
Professional Development	
Dues, Licenses, and Registrations	3,994
Travel	-
Total	<u>3,994</u>
Operating expenses	
Library and Research	-
Contract Services - Attorneys	1,333,439
Contract Services - Other	15,063
Travel	4,558
Insurance	14,440
Supplies	22,408
Repairs & Maintenance	11,595
Utilities and Telephone	14,484
Other	12,139
Capital Outlays	13,970
Total	<u>1,442,096</u>
Total Expenditures	<u>2,053,462</u>
Excess of Expenditures over Revenues	604,962
Fund Balance:	
Beginning of Period	502,098
End of Period	<u>\$ 1,107,060</u>
Total Change in Fund Balances - Governmental Funds	\$ 604,962
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets purchased capitalized	15,054
Depreciation expense	(6,571)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	(10,842)
Change in Net Position of Governmental Activities	<u>\$ 602,603</u>

The accompanying notes are an integral part of this financial statement.

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

INTRODUCTION

The Fourth Judicial District Public Defender Fund, established in compliance with Louisiana Revised Statutes 15:144-149, provides and compensates counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district court level. The judicial district encompasses the parishes of Morehouse and Ouachita. 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 Fund's operations are provided primarily from court costs on fines imposed by the various courts within the district.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Fourth Judicial District Public Defender Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Fund (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 public defender fund is part of the operations of the Louisiana Public Defender Board. The accompanying financial statements present information only on the funds maintained by the Fourth Judicial District Public Defender Fund.

C. FUND ACCOUNTING

The Fourth Judicial District Public Defender Fund 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 Fund 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 Fourth Judicial District Public Defender Fund'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 Fund. The following are the Fund's governmental funds:

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

General fund – the primary operating fund of the Fourth Judicial District Public Defender Fund 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 Fund 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 Fourth Judicial District Public Defender Fund 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. The Fourth Judicial District Public Defender Fund 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 Assets and the Statement of Activities display information about the Fund as a whole. These statements include all the financial activities of the Fourth Judicial District Public Defender Fund. Information contained in these statements 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). 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*.

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Program Revenues – Program revenues included in the column labeled Statement of Activities are derived directly from Fund users as a fee for services; program revenues reduce the cost of the function to be financed from the Fund’s general revenues.

E. FUND EQUITY

GASB Statement No. 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 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.

Restricted Fund Balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District Defender – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District Defender removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the District Defender’s “intent” to be used for specific purposes, but are neither restricted nor committed. The District Defender has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance - This fund balance is the residual classification for the general fund. It is used to report negative fund balances in other governmental funds.

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

F. BUDGETS

The Fourth Judicial District Public Defender Fund uses the following budget practices:

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

The Fund adopted a budget for the year ended June 30, 2021, for the General Fund. The Fund follows the following procedures in establishing the budgetary data reflected in the financial statements. During the May meeting, the chief public defender submits to the board members a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. During the June meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The chief public defender is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board members. Appropriations lapse at the end of the year.

G. 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 Fourth Judicial District Public Defender Fund 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.

H. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Fund'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 Fund 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 Fund may report at amortized cost money 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.

I. ANNUAL AND SICK LEAVE

The Fourth Judicial District Public Defender Fund has adopted a formal vacation and sick leave policy. Employees can earn annual and sick leave with no limit on accumulation. The sick leave is not paid upon termination. Up to 80 hours of annual leave will be paid upon termination. This amount is the maximum employees can earn in one year, therefore no liability is set up as payable. The cost of leave

**Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021**

privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the General Fund when leave is actually taken.

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.

K. 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 Fund maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the Fund, 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:

Description	Estimated Lives
Buildings	40 Years
Furniture and Fixtures	5-10 Years
Vehicles	5 Years
Equipment	5-20 Years

L. RISK MANAGEMENT

The Fourth Judicial District Public Defender Fund is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. To handle such risk of loss, the Fund maintains commercial insurance policies covering his automobile, and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2021.

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

2. CASH AND CASH EQUIVALENTS

At June 30, 2021, the Fourth Judicial District Public Defender Fund had cash and cash equivalents (book balances) totaling \$975,919 as follows:

Interest-bearing demand deposits	\$ <u>975,919</u>
Total	\$ <u>975,919</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 Fourth Judicial District Public Defender Fund had \$1,050,602 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and an adequate amount of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Fourth Judicial District Public Defender Fund that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables of \$133,970 at June 30, 2021, are as follows:

<u>Class of Receivable – Court Costs</u>	<u>General Fund</u>
Morehouse Parish Sheriff's Office	\$ 8,449
Ouachita Parish Sheriff's Office	99,149
West Monroe City Court	3,024
Bastrop City Court	2,520
Monroe City Court	15,086
Probation	5,742
Total	\$ <u>133,970</u>

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

4. CHANGES IN CAPITAL ASSETS

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets:				
Office Furniture & Equipment	\$ 37,950	\$ 15,054	\$ 17,303	\$ 35,701
Building & Improvements	<u>257,875</u>	-	-	<u>257,875</u>
Total Capital Assets	<u>295,825</u>	<u>15,054</u>	<u>17,303</u>	<u>293,576</u>
 Less: Accumulated Depreciation	 <u>199,263</u>	 <u>17,303</u>	 <u>6,571</u>	 <u>188,531</u>
 Net Capital Assets	 \$ <u>96,562</u>	 \$ <u>32,357</u>	 \$ <u>23,874</u>	 \$ <u>105,045</u>

5. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Payables at June 30, 2021, consisted of \$2,829 due to Ouachita Parish Police Jury for contract attorney's health insurance premiums.

6. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

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

Revenues

State Government

Appropriations – General	\$ 1,548,225
Appropriations – Special	<u>12,361</u>
Total	1,560,586

Local Government

Appropriations – General	-
Statutory fines, forfeitures, fees court costs, other	<u>1,054,007</u>
Total	1,054,007

Charges for Services

Investment Earnings

Miscellaneous

	43,831
	-
	-
Total Revenues	\$ <u>2,658,424</u>

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Expenditures

Personnel Services and Benefits

Salaries	\$	563,139
Payroll Taxes		44,233
Total		607,372

Professional Development

Dues, Licenses and Registrations		3,994
Travel		-
Total		3,994

Operating Costs

Contract Services – Attorney & Legal	\$	1,333,439
Contract Services – Other		15,063
Capital Outlays		13,970
Insurance		14,440
Supplies		22,408
Repairs and Maintenance		11,595
Travel		4,558
Utilities and Telephone		14,484
Other		12,139
Total		1,442,096

	Total Expenditures	\$ 2,053,462
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7. CONTRACT ATTORNEYS

At June 30, 2021, as provided by Louisiana Revised Statute 15:145(b)(3), the Fourth Judicial District Public Defender Fund had thirty-one contract attorneys to provide legal representation to indigents in the Fourth Judicial District. The contracts are for terms of one year and provide for a managing attorney, twenty-four attorneys for Ouachita Parish (including five juvenile attorneys), and two attorneys for Morehouse Parish. The managing attorney receives \$10,250 per month in compensation while the remaining attorneys receive monthly compensation ranging from \$2,000 to \$6,400, depending on their years of service under contract. The managing attorney reports to the public defender on the progress and disposition of cases received.

8. LITIGATION AND CLAIMS

The contracts between the Public Defender Fund and the attorneys contain provisions requiring the attorneys to maintain professional liability insurance and agreeing to hold the public defender fund harmless from any malpractice judgments. Accordingly, no provision for any liability arising from lawsuits has been made in the accompanying financial statements.

9. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through November 22, 2021, the date on which the financial statements were available to be issued.

Supplemental Information

Fourth Judicial District Public Defender Fund
Budgetary Comparison Schedule
General Fund
For The Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
State Government				
General Appropriations	\$ 970,000	\$ 1,438,346	\$ 1,548,225	\$ 109,879
Special Appropriations	-	-	12,361	12,361
Local Government				
Statutory Fines, Forfeitures, Fees, Court Costs, etc,	785,000	852,000	1,097,838	245,838
Total Revenues	<u>1,755,000</u>	<u>2,290,346</u>	<u>2,658,424</u>	<u>368,078</u>
Expenditures - Judicial				
Personnel Services and Benefits				
Salaries	378,000	556,500	563,139	(6,639)
Payroll Taxes	32,750	48,215	44,233	3,982
Professional Development				
Dues, Licenses, and Registrations	6,000	2,000	3,994	(1,994)
Travel	-	-	-	-
Operating expenses				
Library and Research	-	-	-	-
Contract Services - Attorneys	1,192,800	1,313,000	1,333,439	(20,439)
Contract Services - Other	73,800	49,300	15,063	34,237
Travel	13,000	4,500	4,558	(58)
Insurance	5,000	5,000	14,440	(9,440)
Supplies	16,500	21,500	22,408	(908)
Repairs & Maintenance	12,500	12,500	11,595	905
Utilities and Telephone	18,650	18,650	14,484	4,166
Training	6,000	-	-	-
Other	-	-	12,139	(12,139)
Capital Outlays	-	-	13,970	(13,970)
Total Expenditures	<u>1,755,000</u>	<u>2,031,165</u>	<u>2,053,462</u>	<u>(22,297)</u>
Excess of Expenditures over Revenues	0	259,181	604,962	345,781
Fund Balance:				
Beginning of Period	502,098	502,098	502,098	-
End of Period	<u>\$ 502,098</u>	<u>\$ 761,279</u>	<u>\$ 1,107,060</u>	<u>\$ 345,781</u>

See independent auditors' report.

Fourth Judicial District Public Defender Fund
Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

(1) Summary of Significant Accounting Policies

The Fund annually adopts a budget for the General Fund. All appropriations are legally controlled at the Fund level for operations. The proposed budget is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Fourth Judicial District Public Defender's office during the month of June. The budget is then legally adopted and amended during the year, as necessary.

The budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets (if any). All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

Fourth Judicial District Public Defender Fund
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to
Agency Head
For The Fiscal Year Ended June 30, 2021

Agency Head:
Michael A. Courteau, District Public Defender

Purpose:	<u>Amount</u>
Salary	\$ 123,000
Benefits - Payroll Taxes	9,471
Benefits - Insurance	1,916
Travel - Mileage	797
Registration Fees	-
Total Compensation, Benefits and Other Payments	<u><u>\$ 135,184</u></u>

See independent auditors' report.

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information

Entity Name

Fourth Judicial District Public Defender

LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)

1647

Date that reporting period ended (mm/dd/yyyy)

6/30/2021

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include Judicial Expense Fund, Drug Court Fund, Veterans Treatment Court Fund, etc.

Cash Basis Presentation

First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
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Receipts From: (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)

Bond Fees - Monroe City Court	941	102,583
Bond Fees - Bastrop City Court	-	478
Bond Fees - 4th Judicial District Attorney's Office	10,407	4,781
Bond Fees - Morehouse Parish	264	142
Bond Fees - Ouachita Parish	9,471	-
Court Cost and Court Fees - Ouachita Parish	263,971	273,933
Court Cost and Court Fees - Morehouse Parish	24,105	29,026
Court Cost and Court Fees - Bastrop City Court	15,085	35,448
Court Cost and Court Fees - Monroe City Court	75,637	182,866
Court Cost and Court Fees - Town of Richwood	360	1,030
Court Cost and Court Fees - Town of Sterlington	2,280	7,060
Court Cost and Court Fees - West Monroe City Court	23,809	60,354
Subtotal Receipts	426,330	697,701

Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)

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See independent auditors' report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Fourth Judicial District Public Defender Fund	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	1647	
Date that reporting period ended (mm/dd/yyyy)	6/30/21	
	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
	-	-
Subtotal Collections	-	-
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
	-	-
Less: Amounts Retained by Collecting Agency		
Bond Fees - Self Disbursed	21,083	107,984
Court Cost and Court Fees - Self Disbursed	405,247	589,717
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
	-	-
Subtotal Disbursements/Retainage	426,330	697,701
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

See independent auditors' report.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

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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*

Fourth Judicial District Public Defender Fund
Parishes of Morehouse and Ouachita, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Fourth Judicial District Public Defender Fund, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Fourth Judicial District Public Defender Fund's basic financial statements, and have issued our report thereon dated November 22, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, we considered the Fourth Judicial District Public Defender Fund'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 Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fourth Judicial District Public Defender Fund'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 Fourth Judicial District Public Defender Fund’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are 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 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 to be distributed by the Legislative Auditor as a public document.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 22, 2021

**Fourth Judicial District Public Defender Fund
Schedule of Findings and Responses
For The Year Ended June 30, 2021**

We have audited the financial statements of the Fourth Judicial District Public Defender Fund as of and for the year ended June 30, 2021, and have issued our report thereon dated November 22, 2021. 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 audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

	Yes	No
<u>Internal Control</u>		
Material Weaknesses		X
Significant Deficiencies		X
<u>Compliance</u>		
Noncompliance Material to Financial Statements		X

B. Federal Awards – N/A

C. Identification of Major Programs: N/A

**Fourth Judicial District Public Defender Fund
Schedule of Findings and Responses
For The Year Ended June 30, 2021**

Section II- Financial Statement Findings

There were no findings for the year ended June 30, 2021.

Section III-Federal Award Findings and Question Costs

This section is not applicable for this entity.

**Fourth Judicial District Public Defender Fund
Schedule of Prior Year Findings
For the Year Ended June 30, 2021**

Internal Control and Compliance Material to the Financial Statements

There were no findings for the year ended June 30, 2020.

Management Letter

No management letter was issued.