

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

Financial Statements
For the Fiscal Year Ended June 30, 2020



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For the Fiscal Year Ended June 30, 2020**

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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, 2020, 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 December 3, 2020, 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 us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2020, 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)

Fourth Judicial District Public Defender Fund Management's Discussion And Analysis For The Fiscal Year Ended June 30, 2020

The management of the Fourth Judicial District Public Defender Fund offers readers of the Fourth Judicial District Public Defender Fund (Fund) financial statements this narrative overview and analysis of the financial activities of the Fund for the fiscal year ended June 30, 2020. 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 \$598,660 (net position); this represents an increase of \$101,882 from the last fiscal year. Of this total net position amount, \$502,098 is unrestricted net position. The Fund's net assets are comprised of \$598,660 from governmental activities.

**Fourth Judicial District Public Defender Fund
Management's Discussion And Analysis
For The Fiscal Year Ended June 30, 2020**

The following is a condensed statement of the Fourth Judicial District Public Defender Fund's net assets as of June 30, 2020:

	Governmental-Type Activities		Total	
	2020	2019	2020	2019
Assets				
Cash & Equivalents	\$ 423,367	\$ 323,341	\$ 423,367	\$ 323,341
Receivables	82,013	70,753	82,013	70,753
Capital Assets (net)	96,562	102,684	96,562	102,684
Total Assets	<u>601,942</u>	<u>496,778</u>	<u>601,562</u>	<u>496,778</u>
Liabilities				
Accounts Payable	\$ 3,282	\$ -	\$ 3,282	\$ -
Long-term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>3,282</u>	<u>-</u>	<u>3,282</u>	<u>-</u>
Net Position				
Invested in capital assets, net	96,562	102,684	96,562	102,684
Restricted	-	-	-	-
Unrestricted	<u>502,098</u>	<u>394,094</u>	<u>502,098</u>	<u>394,094</u>
Total Net Position	<u>\$ 598,660</u>	<u>\$ 496,778</u>	<u>\$ 598,660</u>	<u>\$ 496,778</u>

The Fund has an unrestricted net position of \$502,098, which may be used to meet the government's ongoing obligation to citizens and creditors. Approximately 16% 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 had no long-term debt.

**Fourth Judicial District Public Defender Fund
Management's Discussion And Analysis
For The Fiscal Year Ended June 30, 2020**

The following is a summary of the statement of activities:

	Governmental-Type Activities		Total	
	2020	2019	2020	2019
Revenue				
Court Costs on Fines and Forfeitures	\$ 946,551	\$ 1,031,042	946,551	\$ 1,013,042
Intergovernmental Revenues	1,176,185	826,907	1,176,185	826,907
Fees, Charges, and Commissions	34,487	47,537	34,487	47,537
Total Revenue	<u>2,157,223</u>	<u>1,905,486</u>	<u>2,157,223</u>	<u>1,905,486</u>
Expenses				
Personnel Services	576,288	643,345	576,288	643,345
Professional Development	5,361	15,090	5,361	15,090
Operating Services	1,467,570	1,490,841	1,467,570	1,490,841
Depreciation	6,122	9,704	6,122	9,704
Total Expenses	<u>2,055,341</u>	<u>2,158,980</u>	<u>2,055,341</u>	<u>2,158,980</u>
Increase (Decrease) in Net Assets	101,882	(253,494)	101,882	(253,494)
Net Assets, Beginning	<u>496,778</u>	<u>750,272</u>	<u>496,778</u>	<u>750,272</u>
Net Assets, Ending	<u>\$ 598,660</u>	<u>\$ 496,778</u>	<u>\$ 598,660</u>	<u>\$ 496,778</u>

Total revenues increased \$251,737 or 13.21% from the prior period.

Expenses decreased \$103,639 or 4.8% 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, 2020**

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 \$502,098, which is an increase of \$108,004. The entire ending fund balance of \$502,098 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, 2020, totaled \$63,223, a positive variance of 3.02%. The actual expenditures were more than the final budgeted expenditures for the year ended June 30, 2020, by \$35,219, a negative variance of 1.75%.

Capital Asset and Debt Administration

The Fund's investment in capital assets for its governmental activities as of June 30, 2020 amounted to \$96,562 (net of accumulated depreciation). This investment includes building, furniture, and equipment. The fund did not add any capital assets during the fiscal year ended June 30, 2020.

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, 2021 with estimated revenues of \$1,755,000, which is a decrease from the previous fiscal year of \$339,000 or 16.19% and estimated expenditures of \$1,755,000, which is a decrease of \$259,000 or 12.86%.

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, 2020

	Governmental Activities
Assets	
Cash and Equivalents	\$ 423,367
Receivables	82,013
Capital Assets, net of accumulated depreciation	96,562
Total Assets	\$ 601,942
 Liabilities	
Accounts Payable	\$ 3,282
Total Liabilities	3,282
 Net Position	
Invested in Capital Assets, net of Related Debt	96,562
Unrestricted	502,098
Total Net Position	\$ 598,660

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, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Primary Government			
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Judiciary	\$ 2,055,341	\$ 34,487	\$ -	\$ 1,176,185	\$ (844,669)	\$ -	\$ (844,669)
Total Governmental Activities	<u>\$ 2,055,341</u>	<u>\$ 34,487</u>	<u>\$ -</u>	<u>\$ 1,176,185</u>	<u>\$ (844,669)</u>	<u>\$ -</u>	<u>\$ (844,669)</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>\$ 2,055,341</u>	<u>\$ 34,487</u>	<u>\$ -</u>	<u>\$ 1,176,185</u>	<u>\$ (844,669)</u>	<u>\$ -</u>	<u>\$ (844,669)</u>

General Revenues:

Court Costs on Fines	946,551	-	946,551
Total General Revenues, Special Items, and Transfers	<u>946,551</u>	<u>-</u>	<u>946,551</u>
Changes in Net Position	101,882	-	101,882
Net Position - Beginning	496,778	-	496,778
Net Position - Ending	<u>\$ 598,660</u>	<u>\$ -</u>	<u>\$ 598,660</u>

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

**Fourth Judicial District Public Defender Fund
Balance Sheet - Governmental Fund
June 30, 2020**

	General Fund
Assets	
Cash and equivalents	\$ 423,367
Receivables	82,013
Total Assets	\$ 505,380
 Liabilities And Fund Equity	
Liabilities	
Accounts Payable	\$ 3,282
Total Liabilities	3,282
 Fund Equity	
Fund Balance - Unassigned	\$ 502,098
Total Fund Equity	502,098
 Total Liabilities And Fund Equity	 \$ 505,380

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	502,098
Cost of Capital Assets	295,825
Less: Accumulated Depreciation	(199,263)
Net Position of Governmental Activities	\$ 598,660

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, 2020

Revenues		
State Government		
General Appropriations		\$ 1,176,185
Local Government		
Statutory Fines, Forfeitures, Fees, Court Costs, etc,		981,038
Total Revenues		2,157,223
Expenditures - Judicial		
Personnel Services and Benefits		
Salaries		533,966
Payroll Taxes		42,322
Total		576,288
Professional Development		
Dues, Licenses, and Registrations		5,361
Travel		-
Total		5,361
Operating expenses		
Library and Research		-
Contract Services - Attorneys		1,372,549
Contract Services - Other		23,546
Travel		7,206
Insurance		8,763
Supplies		15,770
Repairs & Maintenance		12,620
Utilities and Telephone		11,724
Other		15,392
Capital Outlays		-
Total		1,467,570
Total Expenditures		2,049,219
Excess of Expenditures over Revenues		108,004
Fund Balance:		
Beginning of Period		394,094
End of Period		\$ 502,098
Total Change in Fund Balances - Governmental Funds		\$ 108,004
<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		-
Depreciation expense		(6,122)
Change in Net Position of Governmental Activities		\$ 101,882

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, 2020

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, 2020

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, 2020

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, 2020

The Fund adopted a budget for the year ended June 30, 2020 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, 2020

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:

<u>Description</u>	<u>Estimated Lives</u>
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, 2020.

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

2. CASH AND CASH EQUIVALENTS

At June 30, 2020, the Fourth Judicial District Public Defender Fund had cash and cash equivalents (book balances) totaling \$423,367 as follows:

Interest-bearing demand deposits	\$ <u>423,367</u>
Total	\$ <u>423,367</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, 2020, the Fourth Judicial District Public Defender Fund had \$498,585 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 \$82,013 at June 30, 2020, are as follows:

<u>Class of Receivable – Court Costs</u>	<u>General Fund</u>
Morehouse Parish Sheriff’s Office	\$ 4,714
Ouachita Parish Sheriff’s Office	46,339
4 th Judicial Distict Attorney’s Office	10,407
West Monroe City Court	2,930
Bastrop City Court	1,945
Monroe City Court	10,296
Probation	<u>5,382</u>
Total	\$ <u><u>82,013</u></u>

Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

4. CHANGES IN CAPITAL ASSETS

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets:				
Office Furniture & Equipment	\$ 41,450	\$ -	\$ 3,500	\$ 37,950
Building & Improvements	257,875	-	-	257,875
Total Capital Assets	<u>299,325</u>	<u>-</u>	<u>3,500</u>	<u>295,825</u>
Less: Accumulated Depreciation	<u>196,641</u>	<u>3,500</u>	<u>6,122</u>	<u>199,263</u>
Net Capital Assets	<u>\$ 102,684</u>	<u>\$ 3,500</u>	<u>\$ 9,622</u>	<u>\$ 96,562</u>

5. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Payables at June 30, 2020 consisted of \$3,282 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, 2020, the major sources of governmental fund revenues and expenditures were as follows:

Revenues

State Government

Appropriations – General	\$ 1,154,102
Appropriations – Special	22,083
Total	<u>1,176,185</u>

Local Government

Appropriations – General	-
Statutory fines, forfeitures, fees court costs, other	981,038
Total	<u>981,038</u>

Charges for Services

Investment Earnings

Miscellaneous

Total Revenues	<u>\$ 2,157,223</u>
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Fourth Judicial District Public Defender Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Expenditures

Personnel Services and Benefits

Salaries	\$	533,966
Payroll Taxes		42,322
Total		576,288

Professional Development

Dues, Licenses and Registrations		5,361
Travel		7,206
Total		12,567

Operating Costs

Contract Services – Attorney & Legal	\$	1,372,549
Contract Services – Other		23,546
Capital Outlays		-
Insurance		8,763
Supplies		15,770
Repairs and Maintenance		12,620
Utilities and Telephone		11,724
Other		15,392
Total		1,460,364

	\$	2,049,219
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7. CONTRACT ATTORNEYS

At June 30, 2020, 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 \$2,700 to \$6,300, 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 **December 3, 2020**, 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
State Government				
General Appropriations	\$ 1,149,000	\$ 1,142,000	\$ 1,176,185	\$ 34,185
Local Government				
Statutory Fines, Forfeitures, Fees, Court Costs, etc,	1,100,000	952,000	981,038	29,038
Total Revenues	<u>2,249,000</u>	<u>2,094,000</u>	<u>2,157,223</u>	<u>63,223</u>
Expenditures - Judicial				
Personnel Services and Benefits				
Salaries	519,550	491,500	533,966	(42,466)
Payroll Taxes	44,746	42,500	42,322	178
Professional Development				
Dues, Licenses, and Registrations	2,500	6,000	5,361	639
Travel	-	-	-	-
Operating expenses				
Library and Research	-	-	-	-
Contract Services - Attorneys	1,517,000	1,370,000	1,372,549	(2,549)
Contract Services - Other	72,000	26,000	23,546	2,454
Travel	29,204	19,000	7,206	11,794
Insurance	5,000	18,500	8,763	9,737
Supplies	21,850	17,500	15,770	1,730
Repairs & Maintenance	12,500	11,000	12,620	(1,620)
Utilities and Telephone	18,900	12,000	11,724	276
Training	-	-	-	-
Other	5,750	-	15,392	(15,392)
Capital Outlays	-	-	-	-
Total Expenditures	<u>2,249,000</u>	<u>2,014,000</u>	<u>2,049,219</u>	<u>(35,219)</u>
Excess of Expenditures over Revenues	0	80,000	108,004	28,004
Fund Balance:				
Beginning of Period	394,094	394,094	394,094	-
End of Period	<u>\$ 394,094</u>	<u>\$ 474,094</u>	<u>\$ 502,098</u>	<u>\$ 28,004</u>

See independent auditors' report.

**Fourth Judicial District Public Defender Fund
Notes to Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020**

(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, 2020

Schedule 2

Agency Head:
Michael A. Courteau, District Public Defender

Purpose:	<u>Amount</u>
Salary	\$ 123,000
Benefits - Payroll Taxes	9,410
Benefits - Insurance	2,243
Travel - Mileage	1,152
Registration Fees	-
Total Compensation, Benefits and Other Payments	<u><u>\$ 135,805</u></u>

See independent auditors' report.

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

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INDEPENDENT AUDITORS' 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, 2020, 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 December 3, 2020.

Internal Control Over Financial Reporting

In planning and performing our 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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
December 3, 2020

**Fourth Judicial District Public Defender Fund
Schedule of Findings and Responses
For The Year Ended June 30, 2020**

We have audited the financial statements of the Third Judicial District Public Defender Fund as of and for the year ended June 30, 2020, and have issued our report thereon dated December 3, 2020. 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, 2020, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

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

	<u>Yes</u>	<u>No</u>
<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, 2020**

Section II- Financial Statement Findings

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

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, 2020**

Internal Control and Compliance Material to the Financial Statements

There were no findings for the year ended June 30, 2019.

Management Letter

No management letter was issued.